

PAS Mobility Tracker

Impact of COVID-19 on Mobility Services

08 February 2023



EY

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working world

Important notes

- ▶ This document provides a snapshot of the policy changes that have been announced in jurisdictions around the world in response to the COVID-19 crisis. It is designed to support conversations about policies that have been proposed or implemented in key jurisdictions
- ▶ Policy changes across the globe are being proposed and implemented on a daily basis. This document is updated on an ongoing basis but not all entries will be up-to-date as the process moves forward. In addition, not all jurisdictions are reflected in this document
- ▶ Find the most current version of this tracker on [ey.com](https://www.ey.com)
- ▶ Please consult with your EY engagement team to check for new developments

EY teams have developed additional trackers to help you follow changes:

- ▶ [Force Majeure](#) - Last updated : July 2020
- ▶ [Global Trade Considerations](#) - Last updated : June 2020
- ▶ [Immigration Tracker](#) - Updated on a regular basis
- ▶ [Tax Controversy](#) - Last updated : August 2021

EY professionals are updating the trackers as the situation continues to develop. These trackers are true as on the dates mentioned and for further information, EY engagement teams must be consulted.

Whilst the tracker includes chapter on Russia, EY no longer has a presence in the jurisdiction and has no cooperation arrangements with local firms. Permissibility of any professional services in relation to Russia needs to be carefully evaluated from standpoint of compliance with applicable sanctions and broader risk considerations.

Overview/key issues

Overview

- ▶ With the number of confirmed cases and fatalities worldwide rising rapidly every day, many government authorities are enacting emergency measures, including payroll, tax, and social security-related measures, to address the economic and logistical challenges presented due to the spread of COVID-19 for individuals traveling within and outside of their countries.

Key issues

- ▶ Measures being introduced include the following:
 - ▶ Temporary exemption from tax residency determination, where presence in a jurisdiction is tied to a quarantine
 - ▶ Change in taxability related to paid sick leave, emergency medical leave
 - ▶ Extension of individual tax filings deadlines
 - ▶ Temporary reductions of taxes required to be withheld or paid
 - ▶ Waiver of penalties for tax payments impacted by COVID-19
 - ▶ Supplemental social security payments for classes of individuals impacted by COVID-19

Jurisdictions (72)

* Updated

Albania	Cuba	India	Norway	The Netherlands
Angola	Czech Republic	Indonesia	Panama	Turkey
Argentina	Cyprus	Ireland	Philippines *	United Kingdom
Aruba	Denmark	Israel	Portugal	Ukraine
Australia	Dominican Republic	Italy	Puerto Rico *	United States
Austria	Ecuador	Japan	Romania *	Uruguay
Bangladesh	El Salvador	Kazakhstan	Russia	Vietnam
Belgium	Estonia	Kenya	Rwanda	
Bosnia & Herzegovina	Finland	Korea	Singapore	
Brazil	France	Latvia	Slovak Republic	
Bulgaria	Germany	Lithuania	Slovenia	
Canada	Ghana	Luxembourg	South Africa	
Chile *	Greece	Malaysia	Spain	
China Mainland	Guatemala	Mexico	Sweden	
Colombia	Honduras	Mongolia	Switzerland	
Costa Rica	Hong Kong	New Zealand	Taiwan	
Croatia	Hungary	North Macedonia	Thailand	

Payroll compliance changes

- ▶ There are no payroll compliance changes.

Tax compliance changes

- ▶ The deadline for submission of the personal income tax return for FY 2021 is 30 April 2022. No changes have been made due to COVID-19 up to date.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ As of 1 May 2022, no specific documents are required as regards to COVID-19 for passengers travelling to Albania.
- ▶ All passengers who are allowed to enter the territory of the Republic of Albania, in addition to complying with the protocols of airline international standards worldwide, must also follow and respect the rules listed below:
 - ▶ Only travelling passengers will enter the airport building, avoiding being escorted by their family members.
 - ▶ Passengers must respect the social distance of 1.5 meters during the entire stay at the airport.
 - ▶ Priority is given to the elderly, people in need and families with minor children.

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Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ It is recommended to keep the mask in all those places where is not possible to keep social distance and for those which have not received the full dose of vaccination.

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ The deadline for the final settlement of the corporate tax has been extended to 29 May 2020 for companies of group B; and 30 June 2020 for companies of group A.
- ▶ A tax credit of 12 months has been granted over the value of the Value Added Tax (VAT) payable on the import of goods and raw materials used in the production of the 54 goods listed in the Presidential Decree no. 23/19 of 14 January 2020.

Social Security changes

- ▶ The payment of the social security contribution (of 8% of the total payroll) for the 2nd quarter of 2020 can be now paid in six monthly installments, during the months of June to December 2020, without interests.
- ▶ The percentage that the private companies usually discount to the employees' salaries for payment to the Social Security of 3% shall now be paid directly to the employees' salary in April, May and June 2020.

Other major changes

- ▶ The State of Emergency has been extended until 10 May 2020.
- ▶ In general, the public services and the commercial activities for goods and services shall be reopened (except the educational institutes), although only from 8 am to 3 pm and with 50% of the staff. Still, the main rule is that citizens shall remain at home and shall only go out for necessary and urgent reasons, such as:
 - ▶ Acquisition of essential goods and services
 - ▶ Provision of services that are authorized to work and the use of such services
 - ▶ Performance of professional activities in force during the State of Emergency
 - ▶ Obtaining health care
 - ▶ Delivery of food and medicines at home

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Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ Assist vulnerable people
- ▶ Attend to voluntary activities
- ▶ Participate in public acts of institutions that remain operational
- ▶ Returning to their home and
- ▶ Transportation of goods
- ▶ All commercial or private flights from and to Angola continue to be suspended.
- ▶ Free movement of persons in the land borders, as well as the landing and disembark of passenger ships is not allowed.
- ▶ Companies are no longer required to proceed with the statistical registration during the State of Emergency.

Payroll compliance changes

- ▶ No mandatory increases, bonus or concepts have been introduced in the Argentinian regulations. In addition, there are amendments to the Employment law that could be applicable. All the rules to reduce economic impact to employers have been introduced through social security taxes.
- ▶ The need to hire personnel while the "preventive and compulsory social isolation" lasts, must be considered extraordinary and transitory under the terms of article 99 of the Labor Contract Law.
- ▶ Current legislation prohibits dismissals without cause and for the reasons of lack or reduction of work and force for a sixty-day period since 31 March 2020. It also prohibits suspensions related to the abovementioned reasons the same period of time.

Tax compliance changes

- ▶ The due date for Forms F. 572 web (those used by employees to inform applicable income tax deductions to employers, in order to reduce income tax withholdings) has been postponed to 30 April 2020, instead of 31 March 2020. Finally, Tax Authorities have stated that a lot of applications that currently required physical presence will be done electronically until 30 June 2020 (e.g. retroactive registrations or de-registrations).

Social Security changes

- ▶ Current legislation establishes - for a period of 90 days - a reduction of 95% of the employer contributions that are destined to the Argentine Integrated Social Security System (SIPA) for employers belonging to health-related services, establishments and institutions.
- ▶ Current legislation establishes that employers which comply with certain requirements, will be granted with one or more of the following benefits:
 - ▶ **Postponement or reduction** of up to 95% of the contributions destined to the Argentine Integrated Social Security System (SIPA).
 - ▶ **Compensatory Salary:** An amount paid by the National government for all or part of the employees on the private sector. Such amount will be equivalent to 50% of the net salary of the worker as of February 2020.

Other major changes

- ▶ "Social, preventive and compulsory social isolation" was established throughout Argentina from 20 March to 6 April 2020. People affected by certain activities and services declared essential in the emergency are exempt from complying with the "social, preventive and compulsory isolation" and the prohibition to go out their homes. Law provides that workers will have the right to the full enjoyment of their habitual earnings in the above-mentioned terms established by the regulations. Workers reached by the "preventive and compulsory social isolation" will be exempt from the duty of assistance to the workplace, but When their tasks or other similar tasks can be carried out from the place of isolation, they must, within the framework of contractual good faith, establish with their employer the conditions in which said work will be carried out.

Payroll compliance changes

- ▶ The only exception of the previously mentioned prohibition are suspensions based on the causes of lack or decrease of work, not attributable to the employer, or force majeure duly verified, agreed individually or collectively and approved by the enforcement authority.
- ▶ Dismissals and suspensions that are provided in violation of the provisions of previously mentioned paragraphs, shall not produce any effect, maintaining in force labor relations and their current conditions.

Tax compliance changes

Social Security changes

- ▶ The abovementioned sum may not be less than a sum equivalent to one minimum, vital and mobile salary (ARS 16.875) or exceed two minimum wages, vital and mobile salary (ARS 33.750), or the total of the net salary corresponding to said month. The net salary should be considered as the sum equivalent to 83% of the gross remuneration informed to Tax Authorities in social security tax returns. Such amount must be deposited in the employee's bank accounts.
- **Comprehensive unemployment benefits system:** the workers who meet the requirements will receive an economic unemployment benefit.
- **Zero Rate Credit:** It will be granted to people adhered to the Simplified Regime for Small Taxpayers and for self-employed workers, granting 100% of the total financial cost.

Other major changes

- ▶ Regarding the "Compensatory Salary" benefit, the Committee designed to evaluate who will be granted with these benefits set forth the following additional requirements to employers in order to grant this particular benefit with respect to wages accrued in April 2020 :
 - ▶ Employer's main activity as of 12 March 2020 shall be included in the list of affected activities published by Authorities.
 - ▶ That the billing variation for the period between 12 March and 12 April 2020 with respect to the same period of the year 2019 does not register a nominal increase. That is to say that the comparison between the billing of 2020 and 2019 (in both cases, from 12 March to 12 April) is 0 or less than 0.
 - ▶ Total headcount as of 29 February 2020 must not exceed 800.

Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ As previously mentioned, employers must comply with one or more of the following requirements to obtain the said benefits:
 - ▶ Economic activities critically affected in the geographical areas where they take place
 - ▶ Relevant number of workers infected by COVID-19 or in compulsory isolation or with work exemption for being in a risk group or family care obligations related to COVID-19.
 - ▶ Substantial reduction in their billing after 12 March 2020.
 - ▶ Individuals who carry out activities and services declared essential in the health emergency and whose personnel have been exempted from complying with "preventive and compulsory social isolation" are excluded from the abovementioned benefits.

- ▶ For Companies with more than 800 employees in their payroll, and in order to analyze whether they should be granted with the benefits mentioned in previous paragraphs, it would be appropriate to: (i) Evaluate their financial situation based on the information collected on the AFIP (Administration of Public Income) website "Emergency Assistance Program for Work and Production - ATP" and the rest that may be deemed necessary, and establish the following requirements:
 - ▶ They will not be able to distribute profits for the fiscal periods closed as of November 2019
 - ▶ They may not repurchase their shares directly or indirectly

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Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ Nevertheless, and taking into account special circumstances that would have caused a high negative impact on the development of their activity or service, said subjects may submit the request to be achieved for the previously mentioned benefits and would be subject to the approval of the enforcement Authority.

- ▶ They may not acquire securities in pesos for their subsequent and immediate sale in foreign currency or their custody transfer abroad.
- ▶ They may not make distributions of any kind to subjects directly or indirectly related to the beneficiary whose residence, location or domicile is in a non-cooperative jurisdiction or with low or no taxation.
- ▶ Furthermore, the Committee anticipates that the aforementioned requirements will be applicable during a fiscal period.

Payroll compliance changes

- ▶ Increase of tax-free amount as of 01 January 2023 to Afl. 30,000.
- ▶ Tax brackets and the progressive rates have been reduced as of 01 January 2023.

Tax compliance changes

- ▶ No tax compliance update has been issued due to COVID-19.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ Compulsory salary regulation has been introduced as of 01 January 2023.

Payroll compliance changes

- ▶ If COVID-19 is the only reason why an individual is working in Australia, and they were not intending to stay in Australia, but they have not been able to leave, for the year ending 30 June 2020, the Australian Taxation Office (ATO) agreed that working in Australia for less than three months will not result in the individual being assessed for Australian tax (regardless of whether the employer is Australian or foreign).
- ▶ If COVID-19 is the only reason why an individual is working in Australia, the Australian Taxation Office has provided guidance that it will not result in the individual being assessed for Australian tax (regardless of whether the employer is Australian or foreign) as long as all of the following conditions are met.
 - ▶ The only thing that has changed about the individual's employment is that they are now doing it from Australia as a result of COVID-19.

Tax compliance changes

- ▶ There are currently no changes to tax filing obligations.

Social Security changes

- ▶ Superannuation impacts on individuals temporarily in Australia will depend on their residence, source of income and application of any bilateral agreement. Current ATO guidance confirms that superannuation obligations may arise for individuals who are in Australia for extended periods.

Other major changes

- ▶ Other employment tax implications should be considered (i.e., Fringe Benefits Tax, Payroll Tax and Workers Compensation).

Payroll compliance changes

- ▶ Relevant considerations as to whether arrangements are unchanged include employment and assignment terms and conditions, the nature of employment activities, reporting lines, involvement in the Australian business/es and with Australian customers.
- ▶ There are no other connections to Australia.
- ▶ The individual intends to leave Australia as soon as they are able to do so.
- ▶ A Double Tax Agreement (DTA) does not apply that has the effect of deeming source. This will only be the case if the individual is present for less than 183 days in accordance with the relevant DTA.

Tax compliance changes

Social Security changes

Other major changes

Payroll compliance changes

- ▶ The payroll implications of this are contingent on the individual being taxable in Australia and if so, Pay-as-you-go (PAYG) withholding tax should be administered.
- ▶ It is important to assess all factors in determining whether an individual's residence has changed or source is deemed under a DTA. This may include whether they remain taxable in the foreign location, their working rights and the ongoing availability of accommodation.
- ▶ Treaty relief may apply where all conditions, including typically a 183 day test, are satisfied. However if 183 days is exceeded, tax may revert to the first day of presence.
- ▶ Positions should be reviewed more closely when an individual's presence exceeds 183 days in the relevant period.

Tax compliance changes

Social Security changes

Other major changes

Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ Deferral of tax payments of payments in installments can be applied for, no interest will be charged, still requires reporting and requires a formal application.

Social Security changes

- ▶ Outstanding social security payments will not be urged by the social security carrier. Extensions of taxes not paid in time or paid partly will be granted automatically by the social security carrier.
- ▶ Informal payment of contributions installments are possible.
- ▶ Neither requests for collection nor bankruptcy filing will currently be introduced by the social security carrier.

Other major changes

- ▶ New "COVID-19 short-term work model": reduction of working hours of the employees without having to terminate the employment relationships and where the lost working time (hence the reduced hours) is compensated by the Public Employment Service Austria (AMS) by means of a short-time work allowance.
- ▶ Net remuneration guarantee for the employee: Depending on their gross wage, the amount of the compensation to employees is likely to range between 80% - 90% of the employee's net remuneration before short-term work. Additional costs (up to the monthly social security cap of EUR 5,370) are covered by the Public Employment Service Austria (AMS) and not the employer.

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ The due date for all tax-related compliances in Bangladesh pending from 26 March 2020 has been extended until 30 September 2020.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ Lockdown has been lifted in Bangladesh with conditional restriction on activities and movement of people
- ▶ To avoid further expansion of COVID-19, with effect from 16 June 2020 until further notice, all scheduled international commercial passenger flights to/from Bahrain, Bhutan, Hong Kong, India, Kuwait, Malaysia, Maldives, Nepal, Oman, Saudi Arabia, Sri Lanka, Singapore, Thailand and Turkey will not be allowed at any airport in Bangladesh.
- ▶ The Government of Bangladesh has now authorized the resumption of limited international commercial flights. International flights to/from Mainland China, Malaysia, Maldives, Qatar, Sri Lanka, Turkey, U.A.E. and the U.K. are permitted to operate.

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ In the exceptional health context of the COVID-19 epidemic and taking into account the recommendations and instructions of the public authorities, France has agreed with Belgium and Switzerland that, until further notice, the days during which frontier workers are required to remain at home during this crisis should not be taken into account in counting the number of days referred to above. Consequently, these days will not affect the eligibility of cross-border workers for the specific tax regime.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ No other update has been issued due to COVID-19.

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ No tax update has been issued due to COVID-19, however e-filing is possible

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ Any possible amendments to Immigration and labor regulations to be communicated.

Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ For the 2020 Income Tax Return, the Tax Authorities have not yet postponed the deadline. Therefore, at this time, the due date will be 30 April 2021.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ New and more flexible rules applicable to:
 - ▶ Home office

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Payroll compliance changes

Tax compliance changes

- ▶ The personal income tax return filing deadline is 30 April 2023. In case it is an official holiday/weekend, then the deadline moves to the next business day.

Social Security changes

Other major changes

Payroll compliance changes

- ▶ The THRP, HHBRP and public health lockdown support would be available from 24 October 2021 to 07 May 2022, with the possibility of further extension to 02 July 2022.
- ▶ The Canada Recovery Hiring Program (CRHP) would be extended to 07 May 2022, with the possibility of a further extension to 02 July 2022.
- ▶ It is likely reasonable to anticipate that the executive remuneration repayment rule that applied to certain entities under the CEWS for qualifying periods 17 to 21 will be extended to the THRP, the HHBRP and possibly the public health lockdown support, as the same policy rationale would be applicable under these new targeted support measures.

Tax compliance changes

- ▶ Amendments have been passed to allow individuals who repay certain COVID-19 benefits before 2023 to claim a deduction in computing income for the year in which the benefit was received, rather in the year the repayment was made. If the individual makes the repayment after filing their income tax return reporting the income inclusion, the individual who claimed the deduction will be able to file an adjustment.
- ▶ Other amendments ensure that COVID-19 benefits received by individuals who are considered non-resident persons for income tax purposes are included in their taxable income earned in Canada.

Social Security changes

- ▶ The maximum pensionable earnings for 2021 has been increased to CAD 61,600.
- ▶ Quebec Pension Plan (QPP) contribution rate for both employees and employers is 5.90% with the maximum contribution of CAD 3,427.90 for both employees and employers.
- ▶ Canada Pension Plan (CPP) contribution rate for both employees and employers is 5.45% with the maximum contribution of CAD 3,166.45 for both employees and employers.
- ▶ Effective 01 January 2022, the maximum insurable earnings for calculating Employment Insurance (EI) for employees will increase from CAD 56,300 to CAD 60,300.

Other major changes

- ▶ Travel restrictions are changing rapidly. Currently Canadians have been advised to avoid non-essential travel outside Canada until further notice.
- ▶ Avoid all cruise ship travel due to COVID-19. Travel restrictions remain in place. All travelers entering Canada must quarantine for 14 days.

Payroll compliance changes

- ▶ Although the government is proposing to use the authority given under Bill C-30 to provide hard-hit organizations with support under the THRP and the HHBRP until 20 November 2021, it is indicated that legislation will be introduced in Parliament after it reconvenes on 22 November 2021 for the extensions and support after 20 November 2021.
- ▶ The CRA has extended their position for employer-provided benefits pertaining to computer and home office equipment to 31 December 2021.
- ▶ The CRA will not consider an employee to receive a taxable benefit where their employer pays for or reimburses up to CAD 500 of computer or home office equipment to enable the employee to carry out their employment duties, provided the employee submits receipts to the employer.

Tax compliance changes

- ▶ For the 2021 and 2022 tax years, employees working from home due to the COVID-19 pandemic may be able to claim up to a maximum of CAD 500 using the temporary flat rate method, to calculate their home office expenses.
- ▶ For 2020, the guidance is provided that the CRA would not consider the common-law factual test of residency to be met if an individual stayed in Canada only because of the travel restrictions. In such situations, an individual's days physically present in Canada will not count toward the 183-day limit for deemed residency. Supplemental guidance provided by CRA extends the period to which this specific relief applies until the earlier of the date of the lifting of the travel restrictions and 31 December 2021. This extension of administrative relief applies solely in respect of individuals and does not extend to the determination of corporate residency.

Social Security changes

- ▶ For 2022, the employee premium rate for employees working outside of Quebec is CAD 1.58, with the maximum annual premium being CAD 952.74. The employer contribution will be based on their rate as assigned by CRA.
- ▶ The premium rate for workers in Quebec will be CAD 1.20, with the maximum annual premium being CAD 723.60. The employer contribution will be based on their rate as assigned by CRA.
- ▶ The annual premium rate and maximum insurable earnings for the Quebec Parental Insurance Plan (QPIP) has not been released.
- ▶ The 2022 annual maximum pensionable earnings and contribution for Canada and Quebec Pension Plan has not yet been published.

Other major changes

- ▶ The travel restrictions may result in issues concerning an individual's residency status for Canadian income tax purposes, since an individual may have been required to remain in Canada. The CRA has indicated that if an individual visiting Canada from another country has to remain in Canada solely because of the Travel Restrictions, this factor alone will not cause the CRA to consider the individual to be a resident of Canada under the common-law factual residency test. In such situations, the days during which an individual is present in Canada and is unable to return to their country of residence solely as a result of the Travel Restrictions will not count towards the 183-day limit for the deemed residency test.
- ▶ This relief applies until the earlier of the date on which the Travel Restrictions are lifted and 31 December 2021.

Payroll compliance changes

- ▶ It should be noted, however, that CAD 500 is the maximum amount that can be reimbursed to each employee and is not for each piece of computer or office equipment that an employee may purchase between 15 March 2020 and 31 December 2021. If an employer pays for or reimburses more than CAD 500 of computer or home office equipment, the amount over CAD 500 must be included in the employee's income.
- ▶ For example, if an employee purchases a computer for CAD 400 in 2020 and an office chair for CAD 250 in 2021 that they will keep after the pandemic, an employer can reimburse the employee up to CAD 500 without the employee receiving a taxable benefit under the administrative position.

Tax compliance changes

- ▶ The CRA is extending to the 2021 tax year the same administrative relief applicable for affected individuals' 2020 tax year. In other words, for affected individuals whose employers have continued to impose withholdings in 2021 as if the income was earned in the United States, the CRA will again provide an administrative concession and will consider the employment income from the United States employer to be sourced from the United States for 2021.

Social Security changes

- ▶ Effective 01 January 2022, the Canada Pension Plan (CPP) contribution rate for both employees and employers is 5.70%. Maximum pensionable earnings are 64,900 CAD and the maximum contribution is 3,499.80 CAD.
- ▶ 2022 Quebec payroll withholding rates effective 01 January 2022 are as follows:
 - ▶ Quebec Pension Plan contribution rate for both employees and employers is 6.15%, maximum pensionable earnings are 64,900 CAD and maximum contribution for is 3,776.10 CAD each.
 - ▶ Quebec Parental Insurance Plan (QPIP) maximum earnings is 88,000 CAD. The contribution rate for employees is 0.494% with a maximum employee contribution of 434.72 CAD. The rate for employers is 0.692% with a maximum contribution of 608.96 CAD.

Other major changes

Payroll compliance changes

- ▶ By contrast, if the employer reimburses the employee the full amount for these purchases, the amount over CAD 500 (that is, CAD 150) must be included in the employee's income in 2021.
- ▶ This position is extended to accountable advances provided to an employee, but does not apply to allowances provided for this purpose.
- ▶ An accountable advance is an amount an employer gives to an employee who has to account for their expenses by producing receipts and returning any amount they did not spend. If an employer provides an employee with an allowance for computer or home office equipment, even if the allowance is CAD 500 or less, the full amount of the allowance must be included in their employment income as a taxable benefit.

Tax compliance changes

- ▶ Additionally, for affected individuals who file their 2021 Canadian income tax return in accordance with the income sourcing rules in the Canada-United States income tax treaty, the same relief that was made available in respect of their 2020 tax year (e.g. treatment of FICA taxes and contributions to United States retirement plans) will be available for 2021. For affected individuals who file in accordance with the Canada-United States income tax treaty, the CRA will again consider granting relief of any interest and penalties imposed in respect of the payment of the individual's 2021 income tax or in respect of instalment payments imposed on the individual.

Social Security changes

- ▶ Effective 1 January 2023, the Canada Pension Plan (CPP) rate for both employees and employers outside of Quebec is 5.95%. The annual maximum pensionable earnings is CDN \$66,600 and the annual maximum contribution is CDN \$3,754.45.
- ▶ Effective 1 January 2023, the Employment Insurance Premium (EI) rate has increased.
- ▶ The rate for employees outside Quebec is CAD \$1.63. Employer's pay 1.4 times the employee premium. The 2023 maximum insurable earnings has increased to CAD \$61,500. CDN \$1,002.45 is the 2023 maximum employee contribution and CDN \$1,403.43 is the 2023 maximum employer contribution.

Other major changes

Payroll compliance changes

- ▶ In light of the COVID-19 pandemic, the Canada Revenue Agency (CRA) recognizes that for many employers and employees, there have been changes in the way that work is being conducted so employees are not unduly exposed to the COVID-19 virus while performing their duties.
- ▶ Under these extraordinary circumstances, the CRA has extended the positions for employer provided benefits pertaining to commuting and parking costs, as well as computer and home office equipment to 31 December 2022.
- ▶ For claim periods 24 to 26 (claims that cover 19 December 2021 to 12 March 2022), access to the subsidies has been expanded to include businesses that were subject to certain capacity-limiting public health restrictions.

Tax compliance changes

Social Security changes

- ▶ The 2023 EI rate for Quebec employees is CDN \$1.27 and the employer contribution is 1.4 times the employee. The maximum employee contribution required is CDN \$781.05 and CDN \$1,093.47 for the employer.
- ▶ Effective 1 January 2023, the Quebec Pension Plan (QPP) rate for both Quebec employees and employers is 6.4%. The annual maximum pensionable earnings are CDN \$66,600 and the annual maximum contribution is CDN \$4,038.40.
- ▶ Effective 1 January 2023, the Quebec Parental Insurance Plan (QPIP) maximum insurable earnings is CDN \$91,000. The employee contribution rate is 0.494% with the maximum premium paid of \$449.54. The employer contribution rate is 0.692%, with the maximum contribution being CDN \$629.72.

Other major changes

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Payroll compliance changes

- ▶ For these two claim periods, an entity may qualify for the THRP if they meet the following two conditions:
 - ▶ An entity was subject to a qualifying public health restriction or qualifying partial (capacity-limiting) public health restriction.
 - ▶ There is a claim period revenue drop of at least 25%.

Tax compliance changes

Social Security changes

Other major changes

Payroll compliance changes

- ▶ No new measures have been announced by the government.

Tax compliance changes

- ▶ Personal income tax return deadline (30/04) is still maintained.
- ▶ Regarding independent providers invoice issuance, tax withholding applicable for 2022 corresponds to 13%.
- ▶ Regarding dependent employees, personal income tax supposes progressive rates from 0 to 40%.

Social Security changes

- ▶ No special measures have been implemented in relation to the contributions to be paid.
- ▶ Current monthly contribution basis corresponds to maxim cap of 81.6 Chilean UF for pension fund, health insurance and work employment accident insurance. For unemployment insurance, monthly remuneration basis is subject to a cap of 122.6 Chilean UF. Those caps could be increased in 2023.

Other major changes

- ▶ Chilean government is not in catastrophe state but continues on health alert state, and has extended that state until 31 March 2023, subject to further extensions.
- ▶ Most of main travel restrictions to enter and exit Chile have been lifted or reduced. Nevertheless, those matters could be re-established, reviewed and/or modified depending on COVID-19 effects or other health situations.

Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ Individual Income Tax (IIT) exemption on additional allowance and bonus for medical staffs and qualifying personnel who has been involved in COVID-19 prevention, treatment and or handling related emergencies.
- ▶ IIT exemption on medicines, medical supplies and protective equipment provided from enterprises to employees.
- ▶ Qualifying donations are allowed as deductions in full for IIT.

Social Security changes

- ▶ Work-related Injury Insurance and Unemployment Insurance could be reduced by certain percentage till April 2022. The specific requirement is subject to the local authorities' discretion in different locations.

Other major changes

- ▶ Mainland China closed its borders to most foreigners effective 28 March 2020. This includes foreign nationals holding visas, residence permits and APEC Business Travel Cards. Different types of port visas and visa free policy are suspended.
- ▶ The travel ban does not apply to permanent residents, holders of diplomatic/service/courtesy/C visa, or Hong Kong, Macau or Taiwan residents who enter with a mainland China travel permit.
- ▶ Foreign nationals entering for necessary economic, trade, scientific, technology and emergency humanitarian reasons, as well as those entering to attend funerals of loved ones, may apply for entry visas at embassies and consulates, and these requests will be adjudicated on a case-by-case basis.

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Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ All passengers entering/departing mainland China are required to make a health declaration and undergo stringent checks by immigration clearance officers at checkpoints.
- ▶ Individuals traveling to China Mainland from Australia, Bahamas, Brazil, France, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Romania, Singapore, Spain, Sweden, Uganda, UK, US and Uruguay can directly apply for M (business) or F (visitor) visas at the Chinese embassies or consulates in these jurisdictions without Invitation Letter (PU or TE).

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Payroll compliance changes

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Other major changes

- ▶ Pre-travel COVID-19 testing. All travelers, including citizens and residents, must take two COVID-19 tests with different test reagents at different laboratories no more than 48 hours prior to departure. There must be an interval of at least 24 hours between the two samplings. Travelers must test negative for all COVID-19 tests to receive a health code and gain authorization to travel to China Mainland.
- ▶ Foreigners must complete an online registration in order to be admitted to China. They will need to provide information relating to their health status, and upload their pre-travel test results, among other things, before being issued a QR code (travelers must have a QR code to enter).

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Payroll compliance changes

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Other major changes

- ▶ Inbound travelers must undergo seven days of centralized isolation medical observation (i.e., quarantine) followed by three days of home health monitoring upon arrival. The exact requirements may vary by province.

Payroll compliance changes

- ▶ No changes to the payroll procedures have been made yet. However, through different resolutions, the government has recommended the following strategies to reduce employments costs over the crisis period:
 - ▶ Vacations: Companies may notify vacation periods one day in advance, omitting the fifteen-day requirement defined in the labour Code. This will reduce the vacation accrual provision by granting collective and anticipated vacations periods to the staff.
 - ▶ Severance: The government has authorized that employees who have experienced a reduction of their labour income due salary reductions, may request a partial withdrawal of their severance funds. The amount to be withdrawn should be equivalent to percentage of the employee's income reduction.

Tax compliance changes

- ▶ The Administrative Unit of Pension Contributions and Payroll Taxes (UGPP), which is the authority that verifies the correct payment of social security contributions and payroll taxes, has suspended the terms of all ongoing inspection processes until the Emergency State has been overcome (Resolution 385 1 April 2020).
- ▶ Under Resolution 140 dated 5 March 2021, the Administrative Unit of UGPP has resumed terms for the current inspection processes, beginning 15 March 2021.

Social Security changes

- ▶ The government announced a possible deferment in the due date to report and deposit Payroll Taxes (SENA, ICBF, CCF), for companies belonging to aviation, tourism and event development industries up to 17 April 2020. However, the expedition of the corresponding Decree is still pending.
- ▶ Pursuant to Decree 588 of 2020, contributions to the Pension System corresponding to the months of April and May, which must be paid on May and June, will be equivalent to a contribution of a 3% of the basic income. Employers and employees may chose this option. Of this quota, 25% will be assumed by the employee, and 75% will be assumed by the employer. On a regular basis, the percentage corresponds to: a 16% (12% for the employer and 4% for the employee.)

Other major changes

- ▶ On 17 March 2020, Ivan Duque, President of Colombia established a Emergency State, which means he is entitled to legislate on any matter with a force of law. Lately, he announced that promptly the government will define a series of aids and measures to help employers maintain operating costs related to human resources over the crisis period.
- ▶ In some cases, companies are considering the suspension of employment agreements. Pursuant to Article 51 of the labour code, an employment contract may be suspended "set dormant" under multiple reasons, including a permission granted by the employer ("non-remunerated leave"), or an event of force majeure. During the period of suspension, the employee shall not pay the corresponding salary, as no service will be rendered by the employee.

Payroll compliance changes

- ▶ Family compensation fund (FCF): Individuals who may be dismissed over the crisis period, can request a relief before the Family Compensation Fund, that will include a month of Social Security Contributions with a minimum wage basis and two minimum wage allowance.
- ▶ Transportation allowance: Please consider that during the time employees are working remotely on home, the legal mobilization allowance that should be paid to employees earning up to two minimum legal wages (COP1.755.606), must not be granted, as they are not assuming any transportation costs.
- ▶ Flexible work shifts: Parties may agree to reduce the ordinary working shift as certain operations are decreasing abruptly. This will imply a reduction on the salary.

Tax compliance changes

- ▶ The last Tax Reform included specific benefits for companies who have been challenged by the UGPP to verify the correct payment of social security contributions and payroll taxes. Some benefits are:
 - ▶ For companies that have not paid specific penalties, interests can be diminished in a 20% of the alleged non payment due to COVID-19 affectations.
 - ▶ Mutual consent: Companies challenged by the aforementioned entity, and already notified before 31 June 2021 can terminate the inspection by mutual consent, paying the 100% of the debt amount with a 20% decrease in interest, except the ones derived in pension contributions.

Social Security changes

- ▶ Social security contributions can be paid late without having interest incurred on these payments, for contributions in force from March to November 2020.
- ▶ The Constitutional Court declared Decree 588 of 2020 unconstitutional. Now, employers and employees might pay the 13% non-paid pension contributions in a period of 36 months or less. Quota will not include interest on latest payments. It is pending the expedition of the form used by companies to pay the difference through the collection operator. It is important to mention that both, employee and employer, should pay the contribution considering that was not an omission caused by the employer.

Other major changes

- ▶ During the period of suspension, the employer is not entitled to pay the corresponding salary, as no service will be rendered by the employee. Furthermore, the labour code in Article 51 has determined as a suspension effect that for companies is mandatory to continue paying the social security contributions in health (8.5%) and pension (12%) in their percentages. Regarding the contribution to the labour Risks System, these are also suspended due to the lack of execution of any labour activity which may arise an eventual risk.
- ▶ Moreover, regarding the payment of fringe benefits (severance and interest over severance) and vacations, according to article 53 of the labour code, employer has the right to discount the corresponding suspension days from the basis to calculate these payments.

Payroll compliance changes

- ▶ Adjustment of the apprentices' quota before the National Service of Apprentices (SENA): A company must hire one apprentice for every 20 employees and one additional apprentice for a group of employees that does not exceed 20. Companies with 15 to 20 employees will have one apprentice. As a consequence of the Emergency State declared by the National Government, SENA determined to suspend:
 - ▶ The process to rule the apprentices' quota for companies obliged to
 - ▶ To enter into an apprenticeship contract if the company has an administrative act that modifies the quota,

Tax compliance changes

Social Security changes

- ▶ Based on Decree 376, 2021, companies might start the payment plan of the pending 13% pension contributions from June 2021. The form to be used for the aforementioned payments is yet to be confirmed.
- ▶ Based on Resolution 639, 2021 The Ministry of Health filed the forms to be used for the payments of the 3% related to the non paid contributions for the months of April and May of 2020.

Other major changes

- ▶ Annual FS before Superintendence of Corporations were extended 15 days and annual renewal before Chamber of Commerce were extended until 3 July.
- ▶ Annual CIT were extended 1 week.
- ▶ For companies who applied for a diminish of social security contributions, for April and May, should pay in a time elapsed of 36 months the difference equivalent to 13% related to pension contributions.

Payroll compliance changes

- ▶ Legal terms for penalty processes and administrative process to file legal remedies from 17 March 2020 to 13 April 2020. For apprentices that have been already hired and are in an academic phase, SENA ruled that they must continue studying by technology platforms and if they are in the practical phase, their apprentices contract can be suspended according to measures taking by the company.
- ▶ Based on Decree 777, 2021 employee of the Public Sector should return to physical work. For employees already vaccinated, the return is mandatory.

Tax compliance changes

Social Security changes

Other major changes

- ▶ A 'remote work' figure has been created for employees who will be working 100% remotely without physical interaction. Labor relationship and execution of activities will depend on technology. Thus, prior to entering into a labor agreement under this figure, it is mandatory to verify the use of digital tools.

Payroll compliance changes

- ▶ The Colombian Tax Authority 'DIAN' created the obligation for the companies to file an electronic payroll. This obligation will be in force from September 2021. Companies must embed all the payroll concepts in an xml file, with a specific code 'NIE' created by the tax authority.

Tax compliance changes

Social Security changes

Other major changes

Payroll compliance changes

- ▶ From July 2020 to July 2024, certain national holidays are going to be moved to the next Monday.

Tax compliance changes

Social Security changes

- ▶ Inclusion of new type of sick leave related to the people that could have had any relation with a positive case of COVID-19 that needs to be in quarantine.
- ▶ Also the INS (Labor risk insurance) will cover the sick leave in case that the case were on the Job.
- ▶ Law No. 10079 "Law to promote job opportunities for individuals over the age of 45" is in effect in Costa Rica. The intent of the law is to promote job opportunities for individuals over the age of 45 by giving:
 - ▶ A temporary fiscal incentive (deduction for the employer) for income tax purposes
 - ▶ A temporary lower rate for the employer contribution that has to be made to FODESAF (the law will be in effect for four years)

Other major changes

- ▶ Vaccination against COVID-19 is mandatory for people under 18 years of age. It is important to mention that on 13 May 2022, decree number 43543-S was published. This decree does not imply a change regarding the management of vaccination, since it remains mandatory and the established basic vaccination schedule is maintained. This decree only urges public and private institutions to refrain from applying dismissal sanctions in cases of employees or workers who do not have the COVID-19 Vaccination Scheme.

Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ On 26 April 2022, a Bill was approved authorizing the remission of fines, surcharges and interest on debts owed by independent workers and employers to the Costa Rican Social Security Fund (CCSS) for Health and Maternity Insurance and the Disability, Retirement and Death Regime.

- ▶ Vaccination against COVID-19 is mandatory for people under 18 years of age. It is important to mention that on 13 May 2022, decree number 43543-S was published. This decree does not imply a change regarding the management of vaccination, since it remains mandatory, and the established basic vaccination schedule is maintained. This decree only urges public and private institutions to refrain from applying dismissal sanctions in cases of employees or workers who do not have the COVID-19 Vaccination Scheme.
- ▶ On 13 May 2022, the decree number 43544-S was published, which revokes the mandatory use officials. This decree does not restrict the possibility for **employers to maintain the mandatory use** of masks within their companies.

Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ On 28 July 2022, Executive Decree No. 43633-MTSS was issued. This is related to the establishment of minimum salaries for the private sector in which the minimum reference income or minimum contributory base for the calculation of contributions to the Pension and Health Insurance is updated. With the update made, the new amounts correspond to ₡287,360 for the Disability, Senior Citizen and Death regime, and ₡307,013 for the Health Insurance. Despite the new base imposed, the salary report must be made on the actual salary earned. The minimum contributory base has the following exceptions:
 - ▶ Severance or entry of new workers occurring in intermediate periods of the month.
 - ▶ Reports of incapacity or leave without pay for more than 15 days.

- ▶ On 18 April 2022, the Bill that grants paternity leave and generates changes to the Labor Code to combat labor discrimination against women was approved. This bill creates four new parental leaves which are addressed to:
 - ▶ Biological fathers: two days per week during the four weeks from the birth of the child.
 - ▶ Individual adoption: three months.
 - ▶ Joint adoption: three months, which may be divisible among the adopting persons by mutual agreement.

Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ Simultaneous work with several employers or with employer and independent insurance receiving lower salaries and income with all or some of them.

- ▶ Mother's death leave: given to the biological father in case the mother dies in childbirth or during the maternity leave, he will be entitled to enjoy the maternity leave of the deceased mother. If the father does not commit to take care of the new-born child, this leave will be granted to the working person who proves that he will take care of the new-born child.

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ Currently being discussed, potential extension of tax payment deadlines.

Social Security changes

- ▶ Social security authorities are flexible due to COVID-19. For UK citizens, A1 is still applicable. No further changes have occurred.

Other major changes

- ▶ No other update has been issued due to COVID-19.

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Payroll compliance changes

- ▶ There are no payroll services provided by EY.

Tax compliance changes

- ▶ Authorities have limited the access to banks and tax authorities have informed the population that the deadline for paying personal taxes will be extended until such time as the banks resume their normal operations.

Social Security changes

- ▶ No changes in Social Security. Foreigners are not entitled to social security in Cuba, and Cuban nationals cannot be employed directly by a Foreign Corporation.

Other major changes

- ▶ No other update has been issued due to COVID-19.

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Payroll compliance changes

- ▶ None applicable now in relation to COVID-19.

Tax compliance changes

- ▶ None applicable now in relation to COVID-19.

Social Security changes

- ▶ Measures due to the COVID-19 pandemic is not a relevant change of circumstances justifying a change in the applicable legislation in the field of social and health insurance valid in the EU or a change of the county of insurance.
- ▶ The A1 certificates issued on grounds of prior valid circumstances remain in force.

Other major changes

- ▶ Following The Organisation for Economic Co-operation and Development (OECD) opinion on possible solutions to current (originated) situations having international tax aspects, by applying double tax treaties (issued on 3 April 2020), the Czech Tax Authority is hesitant to follow the OECD approach, i.e., mainly that performance of employee activities, from the home office in a country other than the state of residence of the employer, should not lead to the creation of a foreign permanent establishment.
- ▶ The Czech Tax Authority currently declares they will strictly follow the provisions of the Double Tax Treaties and a different approach would only be possible if the wording of the treaties changed.

Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ Employees and their employers are thus not obliged:
 - ▶ To report a temporary change of the situation (e.g. home office) to the Czech locally competent social security administration,
 - ▶ To return the issued certificate of applicability (A1 form) if they intend to continue their gainful activity in the territory of several Member States as soon as the restrictions terminate.

Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ The reduced General Healthcare System contribution rates, on collections which are managed by the Tax Department, will apply for three additional months.

Social Security changes

- ▶ The reduced General Healthcare System contribution rates, on collections which are managed by the Social Insurance Department, will apply for three additional months.
- ▶ Extension for February's social insurance liabilities until 14 April 2020 (initial deadline was 31 March 2020).
- ▶ Individuals and companies who have regulated the payment of their overdue social contributions in installments, can defer relevant payments that are due for the months of March and April 2020 by extending the agreed repayment period by two months.

Other major changes

- ▶ The following measures have been announced which will affect the payroll:
 - ▶ Special sickness allowance
 - ▶ Special leave allowance for parents
 - ▶ Work suspension plans (fully or partly) which will provide special unemployment allowance

Payroll compliance changes

- ▶ There was a postponement of payment of withholding taxes for a few months in 2020. This is no longer applicable. There is no postponement of reporting obligations.

Tax compliance changes

- ▶ The deadline for 2020 tax return was postponed from 01 July 2021 to 01 September 2021. No postponement of the deadline for the 2021 tax return.

Social Security changes

- ▶ The social security authorities has announced that temporary work at home in Denmark or another country does not affect the social security status. i.e., Danish social security can be kept and social security contributions to the home country can be avoided. A PAN European announcement supports this. No A1 has to be filled unless the social security in the home country asks for it.
- ▶ This above-mentioned special practice for work at home is prolonged until 30 June 2022 in accordance with recommendation from the European Commission.

Other major changes

- ▶ Special COVID-19 changes from 9 March to 30 June 2020:
 - ▶ Amendment of rules for full tax liability and rules regarding exemption for foreign salary income (due to COVID-19)
 - ▶ Amendment of requirement for special expat scheme (due to COVID-19)

Payroll compliance changes

- ▶ Employers can suspend the labour contract of their employees and use the FASE program until December 2020.
- ▶ The Dominican Government shall provide a minimum of RD\$5,000 and a maximum of RD\$8,500. If the contributor earns a salary of RD\$5,000, the state subsidy will cover 100% of this salary. If the employee salary is above RD\$5,000, the State will cover 70% and the employer, if desired (not mandatory), will cover 30% of that value. This is subject to the state contribution having a ceiling of RD\$8,500.
- ▶ The FASE program is over.

Tax compliance changes

- ▶ The payment of the Annual Income Tax (ISR) that must be made in April by all companies that close the fiscal year in December will be allowed to be divided into four payments.

Social Security changes

- ▶ There has been a change in the salary cap regarding the contribution for Social Security starting on 01 January 2022. The new salary caps are RD USD 65,050.00 for the Occupational Risk Insurance, RD USD 162,625.00 for Family Health Insurance, and RD USD 325,250.00 for Old Age, Disability and Survival Insurance (Pensions).

Other major changes

Payroll compliance changes

- ▶ No payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ Recent changes due to a Law of Tax Reform to be effective from 01 January 2022, in tax highest rates, compliance, tax residence conditions and tax credit. Equity Appendix due dates extended for presentation until December (for this time only). Currency exportation tax progressively reducing during 2022 until reaching the 4% until December.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ No other update has been issued due to COVID-19.

Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ Draft suspension of the law on fiscal responsibility for the emergency. The aforementioned Project seeks to temporarily suspend, for the duration of the effect of the national emergency due to the COVID-19 pandemic, the Fiscal Responsibility Law for the Sustainability of Public Finances and Social Development, and consequently, the application of the parameters and fiscal goals required in said Law.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ Close of several entities and public places. There was a hold up of payments for public services during three months.

Payroll compliance changes

- ▶ Starting from 2022, similar to Estonian tax residents, other European economic area country residents who derive income taxable in Estonia can submit an application to the payer for basic deduction to be applied on monthly basis.
- ▶ The amount of basic exemption applicable to an individual depends on their annual income amount. If annual taxable income is up to EUR 14,400, the monthly basic deduction is EUR 500 (EUR 6000 per year). If the income exceeds this level, the basic exemption starts decreasing regressively. If annual income is EUR 25,200 or more, no basic deductions apply to that individual.

Tax compliance changes

Social Security changes

- ▶ Mandatory pension fund is no longer mandatory for resident employees. Also, all who have not joined so far, can do so going forward. Joining or leaving is done based on individual applications which come into effect three times a year - 1st of January, 1st of May and 1st of September. Thus, before calculating social security withholdings, in those months employers should check from Pension Centre respective search function if the resident employee is subject to mandatory pension fund contributions as the status may have been changed.

Other major changes

- ▶ Starting from January 2021, the right to tax the earnings of non-residents working in Estonia has been expanded. Until end of 2020, the non-resident individual employment income became taxable in Estonia from day one, if the payer was an entity registered in Estonia or a foreign entity with a permanent establishment in Estonia. Going forward, Estonian tax obligation arises for the non-resident rental employee from day one and if the user is an entity registered in Estonia. Nevertheless, the registration and withholding requirements arising from this are still applicable to the foreign formal employer only and not to the user entity.

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ The tax authorities have published guidance on 3 March 2020 on how the six month tax exemption rule related to assignment and other cross-border situations will be interpreted in situations where an individual is supposed to work in areas affected by COVID-19, but has temporarily returned to Finland.
- ▶ The position adopted in the guidance regarding whether salary can remain exempt from Finnish tax under such circumstances is strict and the guidance has not since been updated to take into account recent developments. A case-by-case analysis of the aforementioned situation is required.

Social Security changes

- ▶ The government has stated that the Ministry of Social Affairs and Health will be issuing a decision, which extends deadlines for paying statutory pension insurance contributions by up to three months and partially waives the interest due on such payments.

Other major changes

- ▶ No other update has been issued due to COVID-19.

Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ The Government confirmed on 27 April 2021 (ministerial reply to question nr. 30794 by Ms. Rauch) that working days spent at home as a consequence of the COVID-19 crisis cannot be considered as foreign working days for the application of the French expatriate tax regime (Section 81 A of the French tax code). As a result of this position, the partial or total exemption from income tax which usually benefits a mobile employee whose activity outside France is usually 120 or 183 days can be lost or reduced as a result of home office.
- ▶ Agreement with Belgium and Switzerland has also been extended to 31 December 2021.
- ▶ Agreement with Switzerland has been extended to 31 October 2022.

Social Security changes

- ▶ On applicable social security legislation : For workers covered by the social security legislation of another EEA (European Economic Area) State or Switzerland (frontier workers, multistate workers or posted workers) and working from their home in France, France has agreed not to consider the days teleworked from France due to the exceptional sanitary situation and confirmed that these days will not affect the applicable social security legislation. It is also applicable to French residents habitually working in Monaco. For the time being no formalities/Certificate of Coverage (CoC) application is requested by the French authorities. Guidelines are not yet released for employees residing in France and coming from another totalized country or from non-totalized countries.

Other major changes

- ▶ France has set up a system of exemption from employer social security contributions and payment support applicable to selected sectors of activities most severely affected by the current crisis.

Payroll compliance changes

Tax compliance changes

- ▶ Discussions in progress with Luxembourg, the annual 29-day threshold for 2022 will only be applicable over the period July to December for 2022. The 29-day threshold may be increased to 34.
- ▶ No extension for the time being for Belgium, Germany and Italy.
- ▶ Luxembourg: discussions with the French authorities around remote working and payment of the taxes due by frontier workers.
- ▶ Agreement with Switzerland has been extended to 31 December 2022.

Social Security changes

- ▶ On health insurance: French citizens, returning to France between 01 March 2020 and 30 September 2021, and having no professional activity (i.e., inactive individuals) and receiving no social benefits (pension or unemployment benefits) once in France, can be eligible to basic state medical coverage upon their return without the regular three-month waiting period. This tolerance has not been extended, and the three-month waiting period is now applicable again since 01 October 2021.
- ▶ Flexible rules have been extended until 31 December 2022. EU applicable rules beyond 1 January 2023 may evolve.

Other major changes

Payroll compliance changes

- ▶ Short-time allowance can be applied for employees by employers, for wage tax no application to postpone payment but for waiver/suspension of enforcement measures possible. Easier access to short-time allowance has been extended to 30 June 2023.

Tax compliance changes

- ▶ Deadlines for filing of tax returns for the year 2021 have been extended by four months (to 31 August 2023) if the tax return is prepared by a tax advisor. The interest-free time period (for tax payments and refunds) will be extended accordingly.
- ▶ Deadlines for filing of tax returns for the year 2022 have been extended to 31 July 2024 if the tax return is prepared by a tax advisor. The interest-free time period (for tax payments and refunds) has been extended accordingly.
- ▶ Deadlines for filing of tax returns for the year 2023 have been extended to 31 May 2025 if the tax return is prepared by a tax advisor. The interest-free time period (for tax payments and refunds) has been extended accordingly.

Social Security changes

- ▶ A simplified application for postponing social security contributions is possible for January, February, March, April, May and June 2022, but only if other measures are not sufficient. From July 2022, payment in instalments may be possible in certain cases.

Other major changes

- ▶ Employers can pay EUR 1,500 (tax-free) to employees to mitigate COVID-19 consequences if the payment is made on top of the remuneration that is already due to the employee (e.g. no conversion of bonus payments or bases salary that the employer owes). Deadline for this tax-free payment is 31 March 2022.
- ▶ A lump-sum deduction of 5 EUR per home-office day (600 EUR max p.a.) can be deducted in the employee's income tax return for 2020 and 2021 is planned to be extended to 2022. However, if the work-related expenses do not exceed the standard deduction of 1,000 EUR per year for employment-related expenses, the lump-sum deduction for home-office will not reduce the tax contribution. The deduction is to be continued after 2022 and increased to 1,260 EUR max as of 01 January 2023.

Payroll compliance changes

Tax compliance changes

- ▶ Deadlines for filing of tax returns for the year 2024 have been extended to 30 April 2026 if the tax return is prepared by a tax advisor. The interest-free time period (for tax payments and refunds) has been extended accordingly.

Social Security changes

Other major changes

- ▶ The government has introduced a tax exemption for employees of certain institutions in the health care sector. Between 18 November 2021 and 31 December 2022 employers can pay EUR 4,500 (tax-free) to qualifying employees to mitigate COVID-19 consequences provided the prerequisites are met.
- ▶ Until 31 December 2022, each parent can claim up to 30-days paid leave (instead of only 10 days) when their child is ill. If they have more than one child, they can claim a maximum of 65 days in 2022. For single parents, the number of days doubles.
- ▶ Employers can pay up to 3,000 Euros to their employees to offset the effects of the inflation if the payment is made until 31 December 2024.

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ The annual individual tax filing deadline may be extended only after applying to the Commission general to do so. This application must be filed with Capital Gains before the filing deadline and the maximum extension that can be granted is 60 days (2 months) after the filing deadline. The application must be done before the deadline for filing.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ No other update has been issued due to COVID-19.

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ According to circular 2130/2021, apart from the period 18 March 2020 to 15 June 2020 which has already been exempted as days counting for tax residency determination, due to the pandemic, the new circular further exempts the period 09 November 2020 to 14 May 2021 for the determination of tax residency.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ No other update has been issued due to COVID-19.

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ No tax update has been issued due to COVID-19.

Social Security changes

- ▶ The government request that IGSS (Instituto Guatemalteco de Seguridad Social - Guatemalan Institute of Social Security), INTECAP (Instituto Técnico de Capacitación y Productividad - Technical Institute for Training and Productivity) and IRTRA (Instituto de Recreación de los Trabajadores de la Empresa Privada de Guatemala - Sports City), accept payment of employer fees deferred for March, April and May.

Other major changes

- ▶ No other update has been issued due to COVID-19.

Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ The Tax institution (SAR) communicates extension of deadlines for the presentation of certain declarations and the deadline for issuing tax documents.
- ▶ Termination of the state of emergency (31 December 2021) : As of 03 January 2022, the legal deadlines that were suspended by the declaration of the state of emergency are enabled.
- ▶ Progressive income tax table for 2022: L 181,274.57 - L 276,411.57 are taxed at 15%; from L 276,411.58 - L 642,817.63 are taxed at 20% and income over L 642,817.64 are taxed at 25%.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ No other update has been issued due to COVID-19.

Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ The Inland Revenue Department announced 9 April 2020 that if taxpayers for salaries tax, personal assessment and profits tax have already settled the first payment in accordance with the demand note for the year of assessment 2018/19, the deadline for the second payment is automatically extended for three months from the date specified on the demand note. The above relief measure is not applicable to taxpayers who have to settle their tax liabilities before departing Hong Kong, taxpayers paying property tax and taxpayers who have been approved to pay their taxes by installments.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ The Government announced on 23 March 2020 that it will ban non-Hong Kong residents coming from overseas countries or territories arriving at the airport from entering Hong Kong for 14 days starting from 25 March 2020.

Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ The Chief Executive announced 8 April 2020 that to ease the financial burden and cash flow of businesses and individuals arising from COVID-19, tax payment deadlines for salaries tax, personal assessment and profits tax demand notes for the year of assessment 2018/19 which fall between April to June of this year are automatically extended by three months.
- ▶ The Inland Revenue Department announced 4 April 2020 that in view of the latest situation of COVID-19, deadlines for tax payments and lodgement of objections and holdover applications as well as submission of tax returns and information that fall between 23 March 2020 and 2 May 2020 are automatically extended to 4 May 2020.

Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ The Inland Revenue Department announced 22 March 2020 that from 23 March 2020 it will suspend the provision of all of its services, except for enquiries relating to tax clearance, business registration and stamp office.
- ▶ Deadlines for tax payments, lodgement of objections and holdover applications as well as submission of tax returns and information that fall between 23 March and 3 April 2020 will be automatically extended to 06 April 2020.
- ▶ The Inland Revenue Department announced on 18 March 2022 that the bulk issue of 2021/2022 Tax Return for Individuals will take place on 01 June 2022 and the relevant deadline for filing of Employer's Returns is extended to 01 June 2022.

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ No Tax update has been issued due to COVID-19.

Social Security changes

- ▶ In certain cases, new A1 certificate of coverage (CoC) should be applied on exception basis within the European Economic Area (EEA).

Other major changes

- ▶ No other update has been issued due to COVID-19.

Payroll compliance changes

- ▶ There have been no payroll changes introduced in India on account of COVID-19. However, the central and various state governments have issued guidelines in relation to employment and payment of remuneration to employees.
- ▶ The statutory Provident Fund contribution for both employer and employee will be reduced to 10 percent from existing 12 percent each for the wage months May, June and July 2020. Public Sector undertakings will however continue to contribute 12 percent as employer contribution.

Tax compliance changes

- ▶ The due date for filing of the belated and revised income-tax returns for financial year 2018-19 has been extended from 31 March 2020 to 30 June 2020.
- ▶ The due date for furnishing the tax audit report for tax year 2019-20 has been extended to 31 October 2020.
- ▶ The due date for filing Income-tax returns for tax year 2019-20 has been extended to 30 November 2020.
- ▶ Aadhaar-Permanent Account Number (PAN) linking has been extended from 31 March 2020 to 30 June 2020. Thus, PAN shall not be treated as inoperative until 31 March 2021, even if not linked with Aadhaar.
- ▶ The benefit of settlement under Vivad Se Vishwas Act without payment of an additional amount will be extended from 30 June 2020 to 31 December 2020.

Social Security changes

- ▶ Subject to conditions, a non-refundable advance from the Provident Fund account of members may be granted not exceeding the basic wages and dearness allowances of that member for three months or up to 75% of the amount standing to the credit of the member in the Fund, whichever is less.
- ▶ Government of India will pay the Provident Fund contribution of employer and employee for next three months for those establishments who have less than or equal to 100 employees and 90% of those employees are earning less than INR 15,000 per month. This support will be extended by another 3 months to June, July and August 2020.
- ▶ The statutory Provident Fund contribution for both employer and employee will be reduced to 10% from the existing 12% for each of the wage months May, June and July 2020.

Other major changes

- ▶ Indian Government has been issuing various travel advisories and immigration restrictions.
- ▶ Lockdown in the containment zones is to continue until 30 June 2020.
- ▶ Prohibited activities will be re-opened in a phased-in manner in areas outside the containment zones.

Payroll compliance changes

Tax compliance changes

- ▶ Due dates for filing of appeal or furnishing of return and time limit for completion of proceedings by the authority and any compliance by the taxpayer including investment in saving instruments or roll over capital gains benefits where the time limit expires between 20 March 2020 to 29 June 2020 under various direct tax laws has been extended to 30 June 2020.
- ▶ Interest rate on the delayed payments of advance tax/self-assessment tax/regular tax etc. made between 20 March 2020 to 30 June 2020 has been reduced from 12%/18% to 9% per annum (i.e., 0.75% per month instead of 1%/1.5% per month). Also, no late fee/penalty shall be charged for delay relating to this period.

Social Security changes

- ▶ Public Sector undertakings will however continue to contribute 12 percent as employer contribution.
- ▶ The due date for payment of contribution to Provident Fund and administration charges/inspection charges for the month of March 2020 has been extended from 15 April 2020 to 15 May 2020 to employers who have disbursed wages for March 2020 to their employees.
- ▶ Subject to conditions, a non-refundable advance from the Provident Fund account of members may be granted not exceeding the basic wages and dearness allowances of that member for 3 months, or up to 75% for the amount standing to the credit of the member in the Fund, whichever is less.

Other major changes

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Payroll compliance changes

Tax compliance changes

- ▶ The period of limitation in relation to assessments which are getting time barred on 30 September 2020 (i.e., for tax year 2017-18) is extended to 31 December 2020. Further, the period of limitation in relation to assessments which are getting time barred on 31 March 2021 is extended to 30 September 2021.
- ▶ The rate of withholding/collection of taxes for non-salaried specified payments (such as payment for contract, professional fees, interest, rent, dividend, commission, brokerage, etc.) made to residents is reduced by 25% of their existing rates. The reduced rate will be effective from 14 May 2020 and will be applicable until 31 March 2021.

Social Security changes

- ▶ The Government of India will pay the Provident Fund contribution of employer and employee for those establishments who have less than or equal to 100 employees, and have 90% of those employees whose earning are less than INR 15,000 per month. This was provided earlier for the salary month of March, April and May 2020. This support will be extended for another 3 months to salary months of June, July and August 2020.
- ▶ The statutory Provident Fund contribution for both employer and employee will be reduced to 10% from 12% for the next 3 months. Public Sector undertakings will however continue to contribute 12% as employer contribution.

Other major changes

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Other major changes

- ▶ Donations to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund), a new fund set up in relation to COVID-19 related activities will be eligible for 100% deduction from taxable income. Donations made up to 30 June 2020 are eligible for deductions to the tax year 2019-2020.
- ▶ The Indian authorities have relaxed tax residency provisions for the tax year 2019-20 (April to March) on account of the COVID-19 pandemic. Presence in India during this said period will be disregarded for evaluating tax residential status for the tax year 2019-20 as summarized below. The benefit is provided only to individuals who are based outside of India and had come to visit India before 22 March 2020.

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- ▶ Unable to leave India on or before 31 March 2020 (22 March 2020 to 31 March 2020) to be disregarded for determining residential status
- ▶ Quarantined in India on or after 1 March 2020 and left India in an evacuation flight on or before 31 March 2020
 - ▶ Beginning of the quarantine period to date of departure to be disregarded for determining residential status
- ▶ Quarantined in India on or after 1 March 2020 and unable to leave India on or before 31 March 2020
 - ▶ Beginning of quarantine period to 31 March 2020
- ▶ Left India in an evacuation flight on or before 31 March 2020 (22 March 2020 to date of departure)

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- ▶ The end date for compliances falling due between 20 March 2020 until 31 December 2020 has been extended to 31 March 2021. While this is a general relaxation, shorter extension of due dates have been provided for specific compliances by taxpayers.
- ▶ The due date for filing of the belated and revised income-tax returns for tax year 2018-19 has been extended from 31 March 2020 to 30 September 2020.
- ▶ The due date for filing the withholding tax return by companies for the period January 2020 to March 2020 for salary has been extended to 31 July 2020 and due date of issuing salary withholding tax certificates to the employees for tax year 2019-20 is extended to 15 August 2020.

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Payroll compliance changes

Tax compliance changes

- ▶ The due date for furnishing the tax audit report for tax year 2019-20 has been extended to 31 October 2020.
- ▶ The due date for filing of the Income-tax returns for tax year 2019-20 has been extended to 30 November 2020.
- ▶ Aadhaar-Permanent Account Number (PAN) linking has been extended from 31 March 2020 to 31 March 2021.
- ▶ The benefit of settlement under Vivad Se Vishwas Act without payment of additional amount shall be extended from 30 June 2020 to 31 December 2020.

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Other major changes

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- ▶ The period of limitation in relation to assessments which are getting time barred on 30 September 2020 (i.e., for tax year 2017-18) is extended to 31 December 2020. Further, the period of limitation in relation to assessments which are getting time barred on 31 March 2021 is extended to 30 September 2021.
- ▶ Interest rate on the delayed payments of advance tax/self-assessment tax/regular tax etc. made between 20 March 2020 to 30 June 2020 has been reduced from 12%/18% to 9% per annum (i.e., 0.75% per month instead of 1%/1.5% per month). Also, no late fee/penalty shall be charged for delay relating to this period.

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- ▶ In case of resident senior citizens, self-assessment tax for the tax year 2019-20 paid on or before 31 July 2020 shall be treated as advance tax such that if the balance self-assessment tax payable at the time of furnishing returns is less than INR 1,00,000, then no interest shall apply for delayed furnishing of returns until the extended due date of 30 November 2020.
- ▶ The rate of withholding/collection of taxes for non-salaried specified payments (such as payment for contract, professional fees, interest, rent, dividend, commission, brokerage, etc.) made to residents is reduced by 25 percent of their existing rates. The reduced rate will be effective from 14 May 2020 and will be applicable until 31 March 2021.

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- ▶ Donation to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund ('PM CARES Fund'), a new fund set up in relation to COVID-19 related activities will be eligible for 100 percent deduction from taxable income. The donations made up to 30 June 2020 are eligible for deduction in relation to tax year 2019-20.

Payroll compliance changes

- ▶ Based on the new tax law issued on 29 October 2021, starting 1 January 2022, benefit in kind ('BIK') provided to employees, is taxable to the employee and deductible expense for corporate income tax purposes, except for the following:
 - ▶ Food and/or beverage and their ingredients provided to all of employee
 - ▶ BIK provided in certain remote area
 - ▶ BIK provided by employer for the execution of work
 - ▶ BIK sourced or funded by state/regional/village budget
 - ▶ Certain type of BIKs with certain type and/or of a certain limit

Tax compliance changes

- ▶ On 17 February 2021, the Minister of Finance has issued the implementation regulation Peraturan Menteri Keuangan 18/PMK.03/2021 for Omnibus Law tax cluster. Below are the implementation regulations related to individual taxpayer:
 - ▶ Resident taxpayer (SPDN) - There is no change in the regulations to determine an individual to be a tax resident in Indonesia. The PMK provides more detailed explanations about the definition of domicile and indicator of intention to reside in Indonesia.
 - ▶ Foreign individual resident taxpayer - Foreign individuals who are considered as resident taxpayers will be subject to tax only on Indonesian-sourced income within four years of them becoming a tax resident if they possess certain expert skills i.e., the expert skills in the area of science, technology, and mathematics.

Social Security changes

- ▶ There is an update on salary cap maximum to calculate Pension contribution per March 2022 i.e., IDR 9,077,600. Previously, salary cap maximum to calculate pension contribution was IDR 8,754,600.

Other major changes

- ▶ Based on the new tax regulation for Indonesia, residents who live in Indonesia will use their 16-digit NIK (National Identity Number) as their tax ID number.
- ▶ The company is required to provide foreign workers/assignee who work in Indonesia with a working period of less than six months in the insurance program for foreign workers. The types of insurance programs for foreign workers consist of work accident insurance, health insurance and death insurance. The amount of insurance premium for foreign workers is determined in the regulation.

Payroll compliance changes

- ▶ At the end of December 2022, the government has issued Government Regulation No. 55 (GR 55) regarding the implementation of BIK. Based on the GR 55:
 - ▶ The obligation of the employer to withhold the employee income tax on BIK is effective from 01 January 2023
 - ▶ As for the BIK provided to the employees in year 2022 which has not been reported as taxable income in the employee withholding income tax (Article 21) by the employer, these BIK will need to be reported by the employee in their 2022 annual individual income tax return

Tax compliance changes

- ▶ Foreign individuals with certain expert skills include the expatriates who occupy certain position as regulated by the Ministry of Manpower, and foreign researchers as regulated by Ministry of Research and Technology. There are 25 positions (ISCO/KBJI) that have been determined by the Ministry of Finance. The possession of certain skills must be proved by a certificate issued by the Indonesian government or the home country of the expatriate. Also required, an educational certificate along with work experience with a minimum of five years in that skill.
- ▶ Included as income earned or received from Indonesia by foreign citizens are employment, services or activities carried out in Indonesia that are paid outside of Indonesia. However, the exemption does not apply to foreign citizens who claim benefits under

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tax treaty provisions. To be able to report tax based on Indonesian sourced income only, the foreign individual must obtain an approval from the Director General of Taxation.

- ▶ Non-resident taxpayer (SPLN) - Indonesian citizen who resides outside of Indonesia for more than 183 days within a 12 months period could be considered as non-resident. To be taxed on Indonesian source of income only, they need to obtain a 'non-resident letter' issued by the tax office. For an Indonesian national who has an intention to become a non-resident, they can submit an application to be a non-effective taxpayer (certain condition to be met) before they leave Indonesia. Dividend received from Indonesia and overseas would be excepted as tax object with the terms that the dividend income should be invested in Indonesia within a certain period.

Payroll compliance changes

- ▶ The Department of Employment Affairs and Social Protection has introduced a refund scheme for employers. Under an arrangement developed with Revenue, employers who have to temporarily lay-off staff and who are not in a position to make any wage payment to them, are asked to keep their employees on the payroll and pay them an amount of euro203 - the equivalent of the COVID-19 Support Payment. The payment is not subject to tax, Pay Related Social Insurance (PRSI) or Universal Social Charge (USC).

Tax compliance changes

- ▶ No tax update has been issued due to COVID-19.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ The Revenue Commissioners are currently updating their manual for e-workers. Currently e-Workers will incur certain expenditure in the performance of their duties from home, such as additional heating and electricity costs. The Revenue Commissioners allow an employer to make payments up to €3.20 per day to employees who satisfy the conditions for the relief, without deducting Pay As You Earn (PAYE), Pay Related Social Insurance (PRSI) or Universal Social Charge (USC).
- ▶ Amounts in excess of €3.20 paid by the employer should be subjected to tax. Records of payments made must be retained by the employer for the purpose of any potential future Revenue Commissioners compliance intervention.

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Payroll compliance changes

- ▶ Tax bracket has been increased.

Tax compliance changes

- ▶ Corporate and individual returns with extension up to 30 June 2022 for hard copy and 30 July 2022 for electronic filing.
- ▶ Deadline for tax returns for 2021 is end of May 2022. Hard copy filling is no longer needed.
- ▶ Tax brackets increased:
 - ▶ 77,400 - 10%
 - ▶ 77,401-110,880 - 14%
 - ▶ 110,881-178,080 - 20%
 - ▶ 178,081-247,440 - 31%
 - ▶ 247,441 - 514,920 - 35%
 - ▶ 514,920 and more - 47%
 - ▶ above 663,240 - extra 3%

Social Security changes

- ▶ Postponement of April payments and allowing to pay it in portions instead of at once. No collection procedures and foreclosure steps will be implemented.
- ▶ Social security has to be paid every month via payrolls for employees and for self employed, periodically via vouchers.
- ▶ There are no special instructions due to COVID-19 at this moment.
- ▶ Social security maximum ceiling increased to 45,075 ILS.

Other major changes

- ▶ Government loans for small and medium size businesses are now available.
- ▶ Value added tax(VAT)- February reporting and payment is postponed: monthly reporting moved to 26 March 2022 and bi-monthly to 27 April 2022.
- ▶ VAT has to be paid periodically (monthly or bi-monthly). No special instructions for the next period due to COVID-19.
- ▶ Per diem deduction for foreign experts in the first year - 340 ILS per day.

Payroll compliance changes

- ▶ On 17 March 2020, the Italian Government passed the so called Cure Italy decree which provides new measures to support the Italian economy, financing the family, the workers and the entrepreneurs due to the COVID-19 crisis. In detail, the Decree introduces the following from a Payroll perspective- The payment deadline expiring between 8 March 2020 - 31 May 2020 related to the SSC bills notified by the SSC Authorities is postponed to 30 June 2020.
- ▶ On 8 April 2020, the Italian Government passed the so called "liquidity" decree which provides new measures to support the companies, postponing the tax & social security contributions (SSC) payments deadline and offering financial support to avoid a default risk for the Italian companies.

Tax compliance changes

- ▶ The Cure Italy Decree introduces the following changes from Tax perspective:
 - ▶ The payment deadline expiring between 8 March 2020 to 31 May 2020 related to the tax bills notified by the Tax Authorities is postponed to 30 June 2020.
 - ▶ The activities of the Italian Tax Authorities for the period 8 March 2020 to 31 May 2020 are suspended.
 - ▶ The ordinary statute of limitation (31 December 2020) applied to the activities performed by the Italian Tax Authorities (Agenzia delle Entrate) and/or by the Italian public entity responsible for collection of taxes (Agenzia delle Entrate-Riscossione) is extended for 2 years (31 December 2022).
 - ▶ The simplified tax return deadline (Form 730) is postponed from 23 July 2020 to 30 September 2020.

Social Security changes

- ▶ The Cure Italy Decree introduces the following changes from a social security contributions (SSC) perspective:
 - ▶ The activities of the Italian SSC Authorities for the period 8 March 2020 to 31 May 2020 are suspended.
 - ▶ The validity of A1 certificates (issued according to art. 11 and 12 of EU regulation 883/2004) expiring in the period between 1 January 2020 and 31 July 2020, issued to cover working activities performed abroad (in one of the EEA countries) by assignees, is extended until the 31 July 2020.
 - ▶ Any changes in the work (in terms of percentage) performed by multistate workers (art. 13 of EU regulation 883/2004) in the EEA countries due to emergency and containment measures adopted by relevant authorities, does not affect the validity of already issued A1 certificates

Other major changes

- ▶ Several allowances have been introduced for categories of employees unable to work due to the lockdown:
 - ▶ Up to 9 weeks allowance for employees subject to working hours reduction.
 - ▶ Termination of employees is stopped for 60 days.
 - ▶ Additional parental leave for 15 days is introduced due to the closing of schools, alternatively a babysitting bonus can be applied for.
- ▶ The Government guarantees the loans that banks provide to companies (from 80% up to 100%). Interest rate on the Government-guaranteed loans varies between 0,2% and 1%.

Payroll compliance changes

- ▶ On 8 April 2020, the Italian Government passed the so called "liquidity" decree which provides new measures to support the companies:
 - ▶ For all the employers the withholding tax and social security deadline of 16 March 2020 is postponed to 16 April 2020;
 - ▶ For the employer who earned more than 50 mln of revenues in 2019 and suffered a drop in turnover in March and April 2020 (higher than 50% of the amount of revenues of March and April 2019), payments related to withholding tax and social security due in April and May are postponed to 31 May 2020;
 - ▶ For the employer who earned less than 50 mln of revenues in 2019 and suffered a drop in turnover in March and April 2020 (higher than 33% of the amount of revenues of March and April 2019) payments related to withholding tax and social security due in April and May are postponed to 31 May 2020.

Tax compliance changes

- ▶ Advanced tax payments for TY2020 which are usually equal to 100% of prior year tax liability can be reduced to 80%.

Social Security changes

Other major changes

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ Due date to file 2021 Japanese tax returns, assets reports and payment due date by payment slip may be extended to 15 April 2022 if applied by taxpayers.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ Regarding new entry of foreign nationals into Japan, prescribed applications in the Entrants, Returnees Follow-up Systems (ERFS) is no longer required.
- ▶ Single entry visa and multiple entry visa which have been issued by Embassies, Consulate-Generals and Consulates of Japan in all countries/regions and whose validity have been temporarily suspended have been resumed from 11 October 2022.
- ▶ The visa exemption arrangements which have been temporarily suspended under the border measures have been resumed from 11 October 2022.

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Payroll compliance changes

- ▶ The employer incurs expenses in favor of employees. These expenses include laboratory examination, provision of personal protective equipment, medical examinations, preventive vaccinations, medical supervision, treatment, isolation and hospitalization in connection with the introduction of restrictive measures, including quarantine. These expenses should not be considered as income of the individual. That being said, this income is not subject to payroll taxation.
- ▶ The Obligatory Social Medical Insurance from the employer is 3% (it was 2% in 2021).
- ▶ The social tax is 9.5%. The limit (minimum) was changed from 1 MMS to 14 MCI.

Tax compliance changes

- ▶ No Tax update has been issued due to COVID-19.

Social Security changes

- ▶ Starting 2022, the Obligatory Social Medical Insurance from employer is 3%.

Other major changes

- ▶ No other update has been issued due to COVID-19.

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Payroll compliance changes

- ▶ The main calculation index (MCI), retrospectively from 1 April 2022 has been changed for calculating benefits and other social benefits - 3,180 KZT. For other calculations, it remains the same - 3,063 KZT.

Tax compliance changes

Social Security changes

Other major changes

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Payroll compliance changes

- ▶ Effective 1 January 2021, Individual income tax rates revert back to 30% from 25%, and income tax bands with tax rates of 15% and 20% are deleted.
- ▶ Contributions by individuals to a Home Ownership Saving Plan (HOSP) do not qualify as an allowable deduction when determining the taxable employment income from 1 January 2021.
- ▶ There is a proposal in the 2021 Finance Bill to extend the scope of insurance relief to contributions made to the National Hospital Insurance Fund. Should this be enacted, it will take effect on 1 January 2022.

Tax compliance changes

- ▶ The law allows for application of extension but this is subject to approval by the Commissioner.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ The valuation of the benefit accrued from an Employee Share Option Plan (ESOP) is amended to the difference between the offer price per share at the date the option is granted by the employer, and the market value per share on the date when the employee exercises the option. The tax point of ESOP benefits is also changed from vest to exercise date. Reference to a collective investment scheme registered by the Commissioner is deleted making this provision applicable to all ESOP schemes.

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ The due date for filing Korean tax returns and paying Korea income and local income taxes is 31 May of the following year. There are no extensions allowed.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ PCR requirement has been further enhanced as of 20 January 2022. One must now take and obtain a negative PCR certificate within 48 hours in prior to the departure date. If one takes the PCR examination more than 48 hours before the departure date, the certificate will not be considered valid.
- ▶ The mandatory quarantine period in Korea upon entry has been reduced from 10 days to seven days.
- ▶ Effective 21 March 2022, all entrants who are registered as fully vaccinated (overseas/in-country) are exempted from quarantine.
- ▶ Effective 21 March 2022, all entrants are required to register on Q-code before departure as a part of pre-entry examination.
- ▶ Effective 01 April 2022, all entrants who are fully vaccinated (overseas/in-country) are exempted from quarantine, automatically by registering on Q-code.

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Other major changes

- ▶ Change in Definition of fully vaccinated: Fully vaccinated travelers are those who are 18 years or older, have taken full dosage of WHO approved vaccines (valid two weeks after and within 180 days from the final vaccination date) or has taken booster shot(s).
- ▶ Effective 23 May 2022, pre-entry PCR requirement is relaxed; a negative PCR test certificate taken/issued within 48 hours in prior to the departure can be replaced with a negative RAT certificate (must be professionally taken at the medical institute/authority; self-kit not applicable) taken/issued within 24 hours.
- ▶ Effective 08 June 2022, all entrants to Korea are exempted from seven-day mandatory quarantine.
- ▶ C-3 Visitor visa is no longer suspended; multiple visa is available for visitors (C-3) only.

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Other major changes

- ▶ Please be advised that effective 14 July 2022, all entrants to Korea must upload their post-entry PCR test result on Q-code website, regardless of whether the entrant has used Q-code for the entry.
- ▶ Due to the resurgence of COVID-19 in Korea, all entrants to Korea must take PCR test within one day upon entry, regardless of their nationality and vaccination status, and quarantine until a negative PCR test certificate/result is available, effective 25 July 2022.
- ▶ Effective 03 September 2022, the pre-entry PCR/RAT test requirement is no longer imposed to all entrants to Korea regardless of vaccination history, until the government announces otherwise.

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Other major changes

- ▶ Effective 01 October 2022, the post-entry PCR/RAT test requirement is no longer imposed to all entrants to Korea regardless of vaccination history, until the government announces otherwise.
- ▶ Effective 02 January 2023, all entrants from China, regardless of their nationality, must proceed to Q-Code registration before boarding.
- ▶ Effective 02 January 2023, either all entrants from China or any entrant who visited China within seven days from arrival to Korea must take post-entry PCR test within one business day and upload the result on Q-code website.

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Other major changes

- ▶ Effective 05 January 2023, as a pre-entry requirement, all entrants from China must submit a negative PCR test certificate taken/issued within 48 hours in prior to the departure or a negative RAT certificate (must be professionally taken at the medical institute/authority; self-kit not applicable) taken/issued within 24 hours.
- ▶ If one fails to submit a valid PCR/RAT certificate accordingly, his/her boarding and entry to Korea will be barred.
- ▶ Effective 07 January 2023, all entrants from Macao and Hong Kong must also proceed Q-Code registration and submission of pre-entry negative PCR/RAT certificate. Please be advised that mandatory post-entry PCR test is not imposed to the entrants from Macao and Hong Kong.

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Payroll compliance changes

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Other major changes

- ▶ According to the government announcement, these changes are not permanent and will be imposed until 28 February 2023, if otherwise.

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Payroll compliance changes

- ▶ Compensation for remote work in 2022 can amount up to 30 EUR per month, and is exempted from payroll taxation assuming that specific criteria determined in law are fulfilled.

Tax compliance changes

- ▶ The advance payment of personal income tax for self-employed individuals has been canceled for 2022.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ No other update has been issued due to COVID-19.

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ The annual 2022 filing deadline is 01 May 2023 with no extensions.

Social Security changes

- ▶ No Social Security update has been issued due to COVID-19.

Other major changes

- ▶ No other update has been issued due to COVID-19.

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ Ultimate filing deadline for 2019 income tax returns has been extended from 31 December 2019 to 31 March 2021.
- ▶ Filing deadline for 2020 income tax returns has been extended from 31 March 2021 until 30 June 2021. The extended filing deadline has also been extended from 30 June 2021 to 31 December 2021.

Social Security changes

- ▶ Agreement with Belgium, France and Germany to disregard home working activity to determine applicable social security legislation, has been extended until 30 June 2022.
- ▶ Agreement with Belgium, France and Germany to disregard home working activity to determine applicable social security legislation, has been extended until 31 December 2022.
- ▶ In line with EU Administrative Commission for Social Security guidance, agreement to disregard home working activity to determine applicable social security legislation has been extended until 30 June 2023.

Other major changes

- ▶ Agreements with Belgium, France and Germany to disregard home working activity to allocate taxation right to the country of residence have been extended until 30 June 2022. No further extension is expected.

Payroll compliance changes

- ▶ Extended deadline to submit Monthly Tax Deduction (MTD) data and make MTD/CP38 instalment payment for March 2020 and April 2020: 31 May 2020.
- ▶ Extended deadline to remit contributions to the Social Security Organisation (SOCSO) for the months from April 2020 to September 2020: Last day of the immediate following month (instead of the original deadline of 15th day of the immediate following month).
- ▶ Extended deadline to remit contributions to the Employees Provident Fund (EPF) for the months of March 2020 to July 2020, from the 15th to the 30th of the respective month.

Tax compliance changes

- ▶ Two month extended grace period for individuals to electronically file their 2019 income tax returns. This implies that the due date to file Malaysian tax return has been extended to 30 June 2020 (for individuals without business income) and to 31 August 2020 (for individuals with business income).
- ▶ In view of Movement Control Order (MCO) 2.0, from 13 January 2021 to 4 March 2021, there is no extended grace period to file 2020 income tax returns or defer tax payments. However, the affected taxpayers can apply for an extension of time at least 30 days before the filing/payment deadline for the approval to be considered, based on the merits of each case, by the respective tax office branch. En bloc application is allowed.

Social Security changes

- ▶ The minimum Employees Provident Fund (EPF) contribution by employees will be reduced by 4% from 11% to 7%, with effect from 1 April 2020 to 31 December 2020. From 1 January 2021 to 31 December 2021, the minimum EPF contribution by employees is reduced by 2% from 11% to 9%.
- ▶ EPF introduced the i-Lestari facility from 1 April 2020 to 31 March 2021 to provide financial relief to members whose income is affected by COVID-19. Permitted withdrawal ranges from RM50 to RM500 a month.
- ▶ EPF also introduced the i-Sinar facility from January 2021 whereby members whose income is affected by COVID-19 can withdraw up to RM60,000 (cannot be taken in one lump sum) over a maximum of six months.

Other major changes

- ▶ Restriction of MCO throughout Malaysia from 18 March 2020 to 12 May 2020 which includes the following measures:
 - ▶ Prohibition on Malaysian citizens and permanent residents from traveling abroad. Malaysian citizens and permanent residents returning from overseas are required to undergo health check and 14 days self-quarantine.
 - ▶ Prohibition on entry of tourists and foreign visitors into Malaysia.
- ▶ Conditional MCO declared from 4 May 2020 to 09 June 2020 to ease restrictions for business operations.
- ▶ Recovery MCO was introduced from 10 June 2020 to 31 August 2020 with more lenient restrictions and interstate travels permitted. Prohibition on international travels remains.

Payroll compliance changes

- ▶ Submission of notification of commencement/cessation from employment to the Malaysian Inland Revenue Board (i.e., Forms CP22, CP22A, CP22B and CP21) due during the Movement Control Order (MCO) from 18 March 2020 to 28 April 2020 can be done beginning 29 April 2020.
- ▶ New prescribed forms for notification of commencement/cessation of employees were introduced from 1 January 2021. Additionally, notification of cessation of employment was also extended to include death of an employee. From 04 June 2021 to 31 December 2021, submission via email is allowed in view of the COVID-19 situation which is yet to improve.

Tax compliance changes

- ▶ Taxpayers who were required to submit documents to the Malaysian Inland Revenue Board (MIRB), between 18 March 2020 and 15 May 2020 for tax audit or investigation during the MCO restrictions, need to respond to any MIRB letters within the same period by 31 May 2020.
- ▶ In view of the extended MCO 3.0, two months extended grace period is granted to individuals with business income to file their 2020 income tax returns. This implies that the due date to file their Malaysian tax return has been extended to 31 August 2021.

Social Security changes

- ▶ The Social Security Organization (SOCSO) introduced an Immediate Financial Assistance of RM600 per month for employees who were required to go on unpaid leave due to COVID-19. Application is required.
- ▶ There is an option to withdraw RM500 per month from EPF for members aged below 55 years from 1 April 2020 for a year. Application is required.
- ▶ Social Security Organization (SOCSO) has also introduced the Wage Subsidy Programme (WSP), which is an extension of ERP to enable employers to retain employees.
- ▶ Under WSP 1.0 (1 April 2020 to 30 September 2020), RM600 to RM1,200 wage subsidy per employee per month for up to six months were given to up to 200 employees per company if conditions are met.

Other major changes

- ▶ Recovery MCO was extended to 31 December 2020 and further extended to 31 March 2021.
- ▶ Variations of MCO restrictions were re-imposed from 13 January 2021 until 18 February 2021 across several states. Subsequent extension across selected states were imposed until 4 March 2021, then until 28 June 2021 and now until advised otherwise when the number of new daily COVID-19 cases dip below 4,000 and 10% of the population has been vaccinated.
- ▶ Malaysia is transitioning into the endemic phase commencing 01 April 2022. The Malaysian government has announced the reopening of international borders, with some relaxation on pre-travel and post-arrival requirements.

Payroll compliance changes

Tax compliance changes

- ▶ The Malaysian Inland Revenue Board (MIRB) has issued an FAQ to provide guidance on the tax concessions available for stranded employees in Malaysia or outside Malaysia due to the COVID-19 travel restrictions in May 2020. Based on the latest updated FAQ issued on 24 December 2021, the concessions will not be extended after 31 December 2021 in view of the reopening of international borders and travel restrictions being lifted.

Social Security changes

- ▶ Under WSP 2.0 (1 October 2020 to 31 December 2020), the subsidy period was extended by three months for existing recipients. Meanwhile, a subsidy of six months were given to new applicants.
- ▶ Under WSP 3.0 (1 January 2021 to 30 June 2021), RM600 wage subsidy per employee per month was initially extended for tourism and retail sectors only for up to 500 employees per company. However, WSP 3.0 is now enhanced to cover all employers in all sectors operating in the Movement Control Order (MCO) states for one month in 2021.
- ▶ Under WSP 3.0 PEMERKASA (1 April 2021 to 30 June 2021), business that are closed during the MCO and are existing WSP recipients will receive three additional months of subsidy. New applicants are entitled to three months subsidy.

Other major changes

Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ Under WSP 3.0 PEMERKASA+ (1 June 2021 to 31 July 2021), existing WSP recipients in all sectors will receive additional one month subsidy. New applicants are entitled to one month subsidy.
- ▶ Under WSP 4.0, eligible employers will receive a wage subsidy of RM 600 per employee, subject to a maximum of 500 employees per employer. This applies to all employees, including those earning more than RM 4,000. WSP 4.0 applies for up to two months for all sectors in the second phase of the National Recovery Plan (NRP); and an additional two months for all sectors categorized as 'negative' in the third phase (i.e., sectors that are not permitted to operate in Phase 3) of the NRP.

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Payroll compliance changes

Tax compliance changes

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Other major changes

- ▶ EPF further introduced the i-Citra facility from 16 July 2021 whereby members whose income is affected by COVID-19 can withdraw up to RM 5,000 over a maximum of five months with a fixed monthly payment of RM 1,000 subject to a minimum savings balance of RM 50.
- ▶ EPF further introduced the i-Citra withdrawal from 12 July 2021 for members below age of 55 years to withdraw up to RM 5,000, payable for a period of up to five months at RM 1,000 per month subject to savings balance. Application is required.

Payroll compliance changes

- ▶ Labor Law in force states that in the case of a Health Contingency with Activities Suspension Declaration by the competent authority of the Federal Government, it would be a cause for the suspension of the effects of labor relations, in this case, employers will be obliged to pay a compensation to the worker equivalent to a one minimum wage, for each day the suspension lasts, not exceeding one month.
- ▶ Up to date, Health Authority in Mexico has not issued the Health Contingency with Activities Suspension Declaration.

Tax compliance changes

- ▶ Up to date, Federal Government has not announce any Tax Contingency Plan derived from COVID-19.
- ▶ No tax extensions have been announced yet, Federal Tax payments (Income Tax, VAT, Secretaría del Trabajo y Previsión Social - STPS), remain the same due date, the same for the annual tax return corporate and individual value date is until 31 March 2020 and 30 April 2020.
- ▶ No tax incentives have been announced yet, in order to boost the economy during this COVID-19 crisis.
- ▶ As of 25 September 2020, the Federal Government has not announce any Tax Contingency Plan derived from COVID-19, the afore mentioned implies the following:
 - ▶ Tax extension in the terms of tax obligations for some months from March 2020 has been announced yet, Federal Tax payments (IT, VAT, STPS)

Social Security changes

- ▶ Up to date, no contingency COVID-19 actions in Social Security have been announced yet for employees and employers.

Other major changes

- ▶ Labor Law in force states that in the case of a Health Contingency with Activities Suspension Declaration by the competent authority of the Federal Government, it would be a cause for the suspension of the effects of labor relations, in this case, employers will be obliged to pay a compensation to the worker equivalent to a one minimum wage, for each day the suspension lasts, not exceeding one month.
- ▶ Up to date, Health Authority in Mexico has not issued the Health Contingency with Activities Suspension Declaration.
- ▶ Payroll local tax has been deferred or direct discounts has been applied up to 100% depending on the number of employees and State.
- ▶ Some states in Mexico consider up to 100% of the Local Tax as creditable. Also, companies may ask for a refund as governmental subsidy

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Payroll compliance changes

Tax compliance changes

- ▶ Suspension of terms and deadlines for the practice of actions and diligences in the administrative procedures that are developed before the dependencies for an specific period between March and August 2020

Social Security changes

Other major changes

Payroll compliance changes

- ▶ The Government has issued Stimulus package for protecting public health, retaining workplaces and stimulating the economy during COVID-19 Pandemic.
 - ▶ Social health insurance: Social insurance contribution by employers and by employees of Mongolian citizen who work at legal entities, which protect job of its employees despite decrease in their revenues due to the impact of COVID-19, will be exempt from payments of such contribution for period of 6 months (from 1 April 2020 to 1 October 2020).
 - ▶ Personal income tax: Personal income tax exemption will apply on salaries, wages, bonuses, incentives and similar employment remuneration earned by Mongolian nationals from 1 April 2020 to 1 October 2020. No exemption is applicable from 01 July 2021.

Tax compliance changes

- ▶ According to the law issued in connection with COVID-19 pandemic, penalties and late payment interest will be waived off if taxpayer fails to pay taxes during 1 February 2020 to 1 September 2020.
- ▶ No exemption is applicable from 01 July 2021.

Social Security changes

- ▶ According to the law issued in connection with COVID-19 Pandemic, if employer has reported Social and health insurance during 1 February 2020 to 1 April 2020 but fails to pay the amount, no penalty or late payment interest will be imposed.
- ▶ No exemption is applicable from 01 July 2021.

Other major changes

- ▶ Until 31 July 2020, Mongolia has suspended all international travels.
- ▶ If an employee, through no fault of their own, cannot be transferred to another job during a period of idle time with respect to the employer's business, he shall receive compensation in an amount specified in the applicable collective agreement (shall not be less than 60% of his/her base salary).
- ▶ No exemption is applicable from 01 July 2021.

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ No tax compliance update has been issued due to COVID-19.

Social Security changes

- ▶ No Social security update has been issued due to COVID-19.

Other major changes

- ▶ No other update has been issued due to COVID-19.

Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ Many COVID-19 support payments that had previously been in place have now ceased.
- ▶ The COVID-19 Leave Support Scheme (LSS) is still available to employers, including self-employed people, to help pay their employees who must self-isolate for at least four consecutive calendar days because of COVID-19 and can't work from home. Employment New Zealand has guides for using sick leave and how this relates to the LSS. The LSS is paid at the rate of NZD 600 for workers who were working 20 or more hours per week and NZD 359 for workers who were working less than 20 hours per week.

- ▶ New Zealand does not have a contributory social security system so no social security update has been issued due to COVID-19.

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Social Security changes

Other major changes

- ▶ Inland Revenue has clarified that employers can provide employees with a tax-free allowance of NZD 15 a week for business-related costs and can reimburse employees up to NZD 400 for business-related furniture, on a tax-exempt basis. A further weekly allowance of NZD 5 may also be paid where the individual works from home using their own telecommunication plan. This determination is temporary and applies to payments made from 17 March 2020 to 31 March 2023.
- ▶ Inland Revenue released guidance in March 2022 confirming that individuals stranded in New Zealand between 17 March 2020 to 30 June 2022 due to COVID-19 would not necessarily trigger New Zealand tax residency under domestic day-count rules, provided they left the country within a reasonable time after they were no longer practically restricted in travelling.

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Payroll compliance changes

- ▶ The enforcement fines for missing salary reporting is active again and imposed from the a-melding for October 2020, with a submission deadline 5 November 2020, if you fail to submit the a-melding within relevant deadlines or submit it with errors.

Tax compliance changes

- ▶ There are no suggested extensions for the reporting deadlines in 2021 due to COVID-19. However, COVID-19 regulations still apply for taxable benefits, where applicable.

Social Security changes

- ▶ The deadline for the second payment period of employer's national insurance contribution was postponed from 15 May 2020 to 17 August 2020.
- ▶ The deadline for the payment for the third payment period was postponed from 15 July 2020 to 15 October 2020. The fourth period was not changed and was 15 September 2020.
- ▶ The employer's national insurance contribution was reduced by 4% points in May and June 2020, from 14,1% to 10,1%. Employers do not have to change the way they report their employer's national insurance contribution in the a-melding. Continue to report the basis for the employer's national insurance contribution as usual, and calculate the employer's national insurance contribution using the normal rates.
- ▶ There are no suggested exemptions from the normal regulations for social security and employee social security for 2021 due to COVID-19.

Other major changes

- ▶ Due to COVID-19, many Norwegian employees on a work stay abroad have returned temporarily to Norway or have been temporarily prevented from returning to their work country due to travel restrictions. Many of these employees work from home offices in Norway during the temporary stay in Norway, instead of working from their permanent places of work abroad. For foreign employers with employees working from home offices in Norway due to COVID-19, there is given an exemption from the duty to provide salary information pursuant to the Tax Administration Act deduct withholding tax pursuant to the Tax Payment Act. The exemption covers employers that are not resident in Norway and under normal circumstances, do not operate their businesses in Norway.

Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ The exemption is valid from 13 March 2020 to the end of the 2021 income year. In the temporary provision, the Ministry of Finance has not given an exemption from the duty to provide information for the assessment of employer's national insurance contributions pursuant to section 23-4a of the National Insurance Act. Enterprises that are subject to this duty still have a duty to provide such information.
- ▶ Temporary lay offs after two days: 236/5000
- ▶ This benefit no longer applies. Wage compensation was a benefit to those who were laid off on 31 August 2020 or earlier. They were entitled to compensation for salary for the first 20 days they were laid off. The application deadline was 31 December 2020.

Payroll compliance changes

- ▶ The Ministry of labour set some specifications related to the work like home office, vacation for the people older than 60 years and the ones that have more risk, reduction of working hours.
- ▶ Extends the validity of the work permits issued to foreign workers, which expired from 12 March 2020, until 7 April 2020.
- ▶ Also, filiation, filing, monitoring, marriage interviews, notification, issuance of work permit card will be suspended from 12 March 2020 to 7 April 2020.
- ▶ Starting Sep.2020 The National Migration Service authorizes the pre-registration of the Temporary Residence Permit for the employees of SEM companies.

Tax compliance changes

- ▶ Only for companies, the tax related to salaries remain the same.

Social Security changes

- ▶ Sick leaves is paid through social security to the people positive of COVID-19.

Other major changes

- ▶ The Ministry of labor set some specifications related to the work like home office, vacation for the people older than 60 years and the ones that have more risk, reduction of working hours.
- ▶ Extends the validity of the work permits issued to foreign workers, which expired from 12 March 2020 until 7 April 2020.
- ▶ Also, filiation, filing, monitoring, marriage interviews, notification, issuance of work permit card will be suspended from 12 March 2020 to 7 April 2020.
- ▶ The National Migration Service reiterates to its users that permits or stays that have expired within the period from 13 March 2020 to 30 June 2021 do not generate fines due to expiration within that period.

Payroll compliance changes

- ▶ The law establishes the moratorium on loans granted by banks, cooperatives and finance companies (private or public) until 31 December for natural and legal persons affected by the economic crisis given the COVID-19 pandemic.

Tax compliance changes

Social Security changes

Other major changes

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Payroll compliance changes

- ▶ No payroll compliance change update has been issued due to COVID-19.

Tax compliance changes

- ▶ Changes in tax compliance liabilities due to COVID-19:
 - ▶ The monthly obligations for January for entities and individuals whose incomes do not exceed 2300 Unidad Impositiva Tributaria (UIT for 2021 is of 4400 PEN) and who reside in the cities catalogued as extreme level alert or very high level alert, are delayed. For mobility services, this includes payroll monthly presentation and payment for companies and monthly tax returns for individuals.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ No other major change update has been issued due to COVID-19.

Payroll compliance changes

- ▶ Philippine Health Insurance Corporation (PhilHealth) recently issued Advisory No. 2022-0010 regarding the CY2022 Premium Contribution Schedule for All Direct Contributors.
- ▶ As prescribed in Section 10 of Republic Act No. 11223 or the Universal Health Care (UHC) Act, and in accordance with PhilHealth Circular No. 2020-0005 on the "Premium Contribution Schedule in the National Health Insurance Program (Revision 1)", all Direct Contributors are hereby advised that the premium rate for CY2022 is 4.0%, with an income floor of P10,000.00 and income ceiling of P80,000.00 effective January 2022.

Tax compliance changes

- ▶ The BIR recently issued Revenue Memorandum Circular (RMC) No. 143-2022 to provide further clarification and guidelines to several issues in the implementation of Revenue Regulations (RR) No. 13-2022 relating to the tax treatment of equity-based compensation granted by employers to its employees. Some of its salient provisions include:
 - ▶ Taxation of equity income prescribed under RR No. 13-2022 shall be applied prospectively.

Social Security changes

- ▶ The Social Security System (SSS) issued Circular No. 2020-033b to provide the revised schedule of SSS contributions effective January 2021.
- ▶ Pursuant to the enactment of Republic Act No. 11199, otherwise known as the Social Security Act of 2018, which includes a provision that increases the Social Security contribution rate to 13%, the minimum Monthly Salary Credit (MSC) to 3,000 PHP, and the maximum MSC to 25,000 PHP effective year 2021, this new schedule of contributions of employers and employees issued shall be in effect for the applicable month of January 2021 as per Social Security Commission (SSC) Resolution No. 709-s.2020 dated 17 December 2020.

Other major changes

- ▶ The Fiscal Incentives Review Board (FIRB) issued FIRB Resolution No. 026-22 to provide further guidelines on the 30:70 work from home (WFH) Arrangement and the transfer of registration of existing registered business entities (RBEs) in the Information Technology-Business Process Management (IT-BPM) to Board of Investments (BOI).
- ▶ FIRB under Resolution No. 026-22 dated 14 September 2022 extended the adoption of the 70:30 Work-From-Home (WFH) arrangement from 13 September 2022 until 31 December 2022, as a temporary measure under Rule 23 of the CREATE Act and in view of Proclamation No. 57, s. 2022.

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Payroll compliance changes

- ▶ The adjusted premium rate shall take effect in the Electronic Premium Remittance System (EPRS) and the PhilHealth Member Portal starting the applicable month of June 2022. Members and employers who have already paid their contributions at 3% are advised to generate the corresponding Statement of Premium Account for the paid periods so they can settle the 1% differential payments/remittances until 31 December 2022.

Tax compliance changes

- ▶ Any exercise or availment by employee-grantee (whether rank-and-file or occupying a managerial or supervisory position) of the granted equity-based compensation on or after 29 October 2022 shall be considered as compensation which shall be subject to withholding tax on compensation. In this regard, any exercise or availment of by employee-grantee (whether rank-and-file or occupying a managerial or supervisory position) of the granted equity-based compensation on or after 29 October 2022 shall be considered as compensation which shall be subject to withholding tax on compensation.

Social Security changes

- ▶ Senate Bill No. 2027, recently approved on 23 February 2021, gave the President the power to suspend the scheduled increase in the contribution rate for six months and extend it for another six months during the state of national emergency or calamity as the mandated SSS contribution increase is not timely because of the continuing hardship brought about by COVID-19 to the people and to the business sector.
- ▶ For calendar year 2021, Philippine Health Insurance Corporation will still collect premiums from Direct Contributors using the 3% instead of the 3.5% contributions rate; and the P 60,000 instead of the P 70,000 ceiling in CY 2020. This deferment of the implementation of the scheduled premium adjustment for CY 2021 is pursuant to the effort of easing the burden on many Filipinos being affected by the pandemic.

Other major changes

- ▶ The RBEs implementing WFH arrangement shall comply with the conditions prescribed in FIRB Resolution Nos. 19-21, 017-22 and relevant issuances.
- ▶ Affected RBEs in the IT-BPM sector may be allowed to transfer their registration to the Board of Investments (BOI) until 31 December 2022 and adopt up to 100% WFH arrangement, provided that the monitoring of these RBEs' compliance and availment of their remaining incentives shall remain with the concerned Investment Promotion Agency (IPA) with jurisdiction on the RBE's location, in this case, PEZA.

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Other major changes

- ▶ The BIR issued RMC No. 143-2022 on 9 November 2022 to clarify issues relative to RR No. 13-2022 on income tax treatment of equity-based compensation. The highlights of the RMC are as follows:
 - ▶ RR No. 13-2022 is effective starting 29 October 2022 and it shall be applied prospectively. Any exercise or avilment by employee-grantee (whether rank-and-file or occupying a managerial or supervisory position) of the granted equity-based compensation on or after 29 October 2022 shall be considered as compensation which shall be subject to withholding tax on compensation.

- ▶ A memorandum from the Office of the President, signed by the Executive Secretary, ordered the deferral of the scheduled increase in the premium rate of Philhealth from 4% to 4.5%. Likewise, the increase of income ceiling of members from PhP 80,000 to 90,000 is deferred.

- ▶ The BIR recently issued Revenue Memorandum Circular (RMC) No. 136-2022 to publish Fiscal Incentives Review Board (FIRB) Resolution No. 026-2022 extending the 70:30 work-from-home (WFH) arrangement for Registered Business Enterprises (RBEs) in the Information Technology-Business Process Management (IT-BPM) sector and allowing the transfer of registration of existing business enterprises in the IT-BPM to Board of Investments (BOI).
- ▶ Annex 'A' of FIRB Resolution No. 026-22 allowed 30% of the total workforce to adopt the WFH arrangement for IT-BPM RBEs within the ecozone or freeport zone, as a temporary measure under Rule 23 of the Corporate Recovery and Tax Incentives for Enterprises Act Implementing Rules and Regulations in view of Presidential Proclamation No. 57, s.2022, from 13 September 2022, until 31 December 2022.

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- ▶ No CGT shall be imposed upon grant of equity-based compensation, whether with or without an option price (which is, for the avoidance of doubt, different from the exercise price), since there is no realized capital gain on the part of the employer-grantor.
- ▶ Sale, barter, or exchange by employee-grantee of the granted equity-based compensation is treated as a sale, barter, or exchange of stocks not listed on the stock exchange.
- ▶ The difference between the book value/FMV of the shares, whichever is higher, at the time of the exercise of the equity-based compensation and the price fixed on the grant date, shall be considered as additional compensation subject to income tax and consequently to withholding tax on compensation.

Social Security changes

Other major changes

- ▶ It was further resolved in the said resolution that the affected RBEs in the IT-BPM sector may be allowed to transfer their registration to the BOI from the Investment Promotion Agency administering an economic zone or freeport zone where their project is located until 31 December 2022, to adopt 100% WFH.
- ▶ The BIR issued RMC 141-2022 to inform eBIRForms users/filers on the revised contents of eBIRForms email notification or the Tax Return Receipt Confirmation.
- ▶ The BIR issued RMC 146-2022 on 2 November 2022 to announce the availability of the enhanced BIR Digital Assistant Chatbot REVIE, which will now include TIN verification/validation, RDO finder and eComplaint facility.

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Other major changes

- ▶ Revenue Memorandum Circular No. 153-2022 highlights the schedule when the BIR Online Registration and Update System (ORUS) will be made available for taxpayers so they can use it for the end-to-end process of their registration with the BIR.

Payroll compliance changes

- ▶ Delay in the payment of personal income tax withholdings. For eligible entities, the taxpayer may elect for the payment of PIT withholdings, due in the second trimester of 2020, to be fulfilled in one of the following ways:
 - ▶ Immediate payment, as usual; or
 - ▶ Fractional payment in three or six installments, in both cases, without delay interest
- ▶ This is available for the following taxpayers:
 - ▶ Taxpayers with a turnover up to EUR10M in 2018;
 - ▶ Taxpayers who operate in sectors covered by the lockdown (i.e., leisure, cultural, artistic, sports, open space, games and gambling, and restoration activities).

Tax compliance changes

- ▶ No tax update has been issued due to COVID-19.

Social Security changes

- ▶ Impediment to work due to the risk of contagion.
- ▶ Under the terms of Order no. 2875-A/2020, of 3 March 2020, the temporary impediment of beneficiaries to perform their professional activity, recognized by the Health Authority, in the context of risk of contagion by COVID-19 (i.e., prophylactic isolation, commonly referred to as "quarantine") shall have the same treatment as an illness which requires hospitalization.
- ▶ If the employee possesses a notice of prophylactic isolation issued by the Health Authority, he/she is entitled to receive:
 - ▶ An allowance equivalent to the sickness allowance in an amount corresponding to 100% of the reference salary, for the initial 14 days (counted from the first day of the notice of isolation).

Other major changes

- ▶ On 18 March 2020, the Portuguese President has ruled the State of Alarm which has been approved by the Portuguese Parliament. On 2 May 2020 the State of Alarm has ceased, and currently the State of Calamity is in force. There are several lines of credit to be made available, special rules for current investment projects, flexibility in hiring staff for the health sector, suspension of overtime in the health sector, among other measures. We will update as soon as the measures are published. The following measures were approved on 15 March 2020:
 - ▶ Extraordinary support measure for the preservation of employment contracts, with or without training, in business crisis situations
 - ▶ Extraordinary training plan
 - ▶ Extraordinary financial incentive to support the normalization of the company's activity, and

Payroll compliance changes

- ▶ Taxpayers who have began their activity on or after 1 January 2019. Note that taxpayers not mentioned above may also benefit from this deferral, in instances where they report and demonstrate a loss of at least 20% (compared to the averaged of the 3 months prior to the month at stake, versus the same period in the previous year), in the amount of revenues invoiced by the company as reported in the E-invoice system. The loss in the revenues should be certified by a Statutory Auditor or Certified Accountant.
- ▶ Personal Income Tax withholdings of the months of April and May can be paid until 25 May 2020 and 25 June 2020, respectively.

Tax compliance changes

Social Security changes

- ▶ An allowance between 55% and 75% of the reference salary in the subsequent periods (although prophylactic isolation, as a general rule, does not exceed 14 days). This benefit is not applicable to employees who are able to perform their duties through teleworking or distance learning. The payment of this allowance is not subject to a guarantee period, job index or waiting period.
- ▶ Closing of Schools - right of the employees who have to stay at home to take care of the children:
 - ▶ Absences shall be deemed justified for employees who have to stay at home with children under 12 years of age, or, regardless of their age, if they have a disability or chronic disease, due to the closing of schools (in case employees cannot resort to teleworking)

Other major changes

- ▶ Temporary exemption from the payment of Social Security contributions by the employer.
- ▶ Extraordinary support measure for the preservation of employment contracts (simplified layoff). The extraordinary support for the preservation of employment contracts is open to companies facing a business crisis situation, which can include:
 - ▶ Situations of complete or partial stop of the business activity of a company or establishment, due to the lockdown enforced by Decree-Law 2-A/2020, or by legislative or administrative decision;
 - ▶ By means of a statement issued by the employer and certified by its Certified Accountant, in the following situations:

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- ▶ In this case, exceptional financial support will be granted to employees in the amount of two thirds of the base salary. This amount will be supported by the employer and Social Security in equal parts, i.e., nearly 33% by the employer and 33% by Social Security
- ▶ This financial support has a maximum limit of EUR 635 (national minimum salary for the mainland)
- ▶ The exceptional financial support is liable to Social Security Contributions at the rate of 11%, borne by employee (which shall be withhold and deducted by the employer), and 50% of the employer's contribution.

- ▶ Complete or partial stop of the business activity of a company or establishment, due to interruption of the supply chain or cancellation of purchase orders; or
- ▶ Sudden reduction of at least 40% of turnover in the 30 days period prior to the request, with reference to the monthly average of the two previous months or the same period of the prior year or, for taxpayers that have began their activity less than 12 months ago, to the average of the period of activity.
- ▶ Through this extraordinary support incentive, employees are entitled to remuneration corresponding to 2/3 of the employee's gross salary, capped at EUR1,905 (equivalent to 3 times the national minimum wage). This incentive lasts one month, extendable for additional months (up to three months). Several requirements need to be met (for

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- ▶ **Sickness allowance due to COVID-19:** Employees that are sick are entitled to an allowance between 55% and 75% of the reference salary (depending upon the duration of the sickness) and up to a maximum of 1,095 days.

- ▶ Delay in the payment of Social Security contributions

The scheme will be open to the following entities:

- ▶ Self-employees;
- ▶ Employers with less than 50 employees;

example, companies cannot distribute dividends during the period of the measures being applied, and employers are not allowed to dismiss employees under a collective dismissal or an extinction of the labour position, during the period of validity of these measures as well as in the 60 following days).

- ▶ **Exceptional training plan:** The exceptional support to be granted to each employee is supported by IEFP, I. P. and takes into consideration the hours of vocational training attended by the employee, up to the limit of 50% of the employee's remuneration, up to a maximum of €635. Note that the exceptional training plan aid cannot be applied for by those entitled to apply for the financial aid to keep employment contracts.

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- ▶ Employers with 50 up to 249 employees, as long as they have suffered a loss of at least 20% in the amount of revenues invoiced by the company as reported in the E-invoice system in the months of March, April and May 2020, versus the same period of the previous year or, in case of employers that have began their activity less than 12 months ago, to the average of the period of activity;
- ▶ Employers with 250 or more employees, as long as they have suffered a loss of at least 20% in the amount of revenues invoiced by the company as reported in the E-invoice system in the months of March, April and May 2020, versus the same period in the previous year or, in case of employers that have began their activity less than 12 months ago, to the average of the period of activity, and the company falls into one of the

- ▶ Financial aid for the support of the normalization of business activity.
- ▶ Financial aid paid in one single installment in the amount of EUR 635 per employee.
- ▶ Automatic extension of social benefits: In the context of the COVID-19 pandemic, an extension of the following subsidies is automatic for situations where the recovery period ends before 30 June 2020:
 - ▶ Unemployment benefits, social unemployment benefits, cessation allowance for self-employed workers, Solidarity Supplement for the Elderly, Social Insertion Income.
- ▶ On 7 May 2020, the benefit requirements from social unemployment benefits have also been reduced.

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Other major changes

- following categories of taxpayers: (i) private welfare institutions or equivalents; (ii) employers operating in sectors covered by the lockdown (i.e., leisure, cultural, artistic, sports, open space, games and gambling, and restoration activities), or in the sectors of aviation or tourism; (iii) the activity of the employers has been suspended by legislative or administrative decision.
- ▶ The social security contributions (on the employer part) of eligible entities due for the months of March, April and May 2020 can be paid in the following terms:
 - ▶ 1/3 of the SS contributions in the month they are due;
 - ▶ The remaining 2/3 in equal instalments in the months of July, August and September 2020 or in the months from July to December, without interest.
 - ▶ The deadline for payment of the February Social Security contributions (20 March 2020) has been postponed to 31 March 2020.

- ▶ Financial aid for informal economy workers: Introduced on 7 May 2020, financial aid for workers that are not currently mandatorily enrolled in a national or foreign social security scheme, and who declare the beginning or reopening of their business activity by the Portuguese Tax Authorities, as self-employed workers. The financial aid amounts to half of the social support index (EUR 219.4) per month and is granted for a maximum period of 2 months. The individual needs to keep self-employment activity for at least 24 months after the end of the financial aid period.

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- ▶ Temporary exemption for SS contributions by the employer: Companies facing a business crisis situation (please refer to the column "Other major changes" for more information) that benefit from the simplified layoff or exceptional training incentive can be entitled to temporary exemption for SS contributions on the employer part.
- ▶ Social Security on posted workers and frontier workers
 - ▶ Administrative Order 94-A/2020 has established the principle that, for employees resident of Portugal that are covered by the SS legislation of another EU member state, EEA member State of Switzerland, the periods of remote working in Portugal during the COVID-19 period, shall not be taken into consideration for the determination of the applicable SS legislation, and should not imply any change in the applicable legislation.

- ▶ The IATF issued Resolution No. 134 on 19 August 2021 to announce the quarantine classification in NCR and Laguna from ECQ to MECQ beginning 21 August 2021 until 31 August 2021.

Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ In addition, the Portuguese Social Security Authorities have issued a ruling with clarifications on the validity of A1s for posting of employees, multi-state workers and frontier workers. The main goal is to ensure that the SS treatment is not impacted by remote working. Therefore, in the case of posted workers, if the employee will continue to work in the host country under an A1 issued by Portugal, the SS contributions will be kept in Portugal and these employees will have the same rights as the remaining employees working in Portuguese territory. If the employees return to Portugal, the A1 remains valid until the end of the assignment mentioned in the A1 form. In case the assignment is extended, a new A1 should be requested. These rules are also applicable in the case of the exceptional agreement under Article 16 of the EC Regulation 883/2004. If the assignment did not happen due to travel restrictions, a new

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A1 should be requested if the assignment happens later.

- ▶ Regarding multi-state workers, in case the applicable legislation is that of the other State (not Portugal), the fact that the activity in Portugal due to remote working becomes a substantial activity, should not impact the applicable legislation, and the employee should continue to be covered by the Social Security legislation of the other State. In case the applicable legislation is Portugal, the periods of remote working in other EU member state should not imply any change in the applicable legislation (that should continue to be Portugal).
- ▶ In the case of frontier workers, the applicable legislation is the State where they perform their activity and the periods of remote working due to COVID-19 should not imply any change in the applicable legislation.

Payroll compliance changes

- ▶ No Payroll update has been issued for 2023.

Tax compliance changes

- ▶ Due date for the 2022 individual tax return is 17 April 2023. The extended due date for filing the income tax return remains 17 October 2023.
- ▶ Due to Hurricane Fiona, the IRS extended the due date of 2021 individual filings until 15 February 2023 for victims of Hurricane Fiona, including taxpayers residing in Puerto Rico, as well of taxpayer that have records in the disaster area.

Social Security changes

- ▶ Puerto Rico is a territory of the United States and contributes to the same Social Security system as in United States. Therefore, any change that make the IRS will impact Puerto Rico in the same manner.

Other major changes

- ▶ Estimated Tax Payments: The deadline for Q1 estimated tax payments for companies and individuals was extended until 25 April 2022. No changes or additional extensions have been provided for FY 2022.
- ▶ Withholding at source: No exemptions were provided for 2022.
- ▶ No changes or additional extensions have been provided for FY 2023.

Payroll compliance changes

- ▶ Certain changes to the reporting and income tax payment due on salary benefits (either in cash or in kind) received from third parties, for example, other companies from the group (example, share plans)
 - ▶ Income tax free benefits as indicated above

Tax compliance changes

- ▶ Certain changes to the reporting and income tax payment due on salary benefits (either in cash or in kind) received from third parties, for example, other companies from the group (example, share plans)
 - ▶ Employee telework related expenses: the employer may grant an amount of up to 400 lei/month, income tax free, to each employee to cover telework related expenses, proportionally with the number of teleworking days.
 - ▶ Costs covered by the employer for its employees for epidemiological testing or vaccination is income tax free.
 - ▶ The incentive regarding the amounts paid by the employer for the early childhood education of employee's children (who were income tax free) has been cancelled starting 01 April 2021 until 31 December 2022.

Social Security changes

- ▶ Certain changes to the reporting and social charges payment due on salary benefits (either in cash or in kind) received from third parties, for example, other companies from the group (example, share plans)
 - ▶ Employee telework related expenses: the employer may grant an amount of up to 400 lei/month, social charges free, to each employee to cover telework related expenses, proportionally with the number of teleworking days.
 - ▶ Costs covered by the employer for its employees for epidemiological testing or vaccination is social charges free.
 - ▶ The incentive regarding the amounts paid by the employer for the early childhood education of employee's children (who were social charges free) has been cancelled starting 01 April 2021 until 31 December 2022.

Other major changes

- ▶ An emergency ordinance has been published for the introduction of a salary increase of 200 RON, in the context of the crisis and inflation, amounts that companies can grant to employees who are paid the minimum wage, between 1 June 2022 and 31 December 2022.
- ▶ The indemnity for the care of cancer patients is a non-taxable income as of 19 July 2022.
- ▶ As of 1 January 2023, the exemption from income tax and social charges currently provided for supplementary benefits received by mobile workers (within the ceiling of 2.5 times the statutory level of the delegation/secondment allowance for staff of public authorities and institutions) is limited to workers engaged in mobile road transport activities.

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Payroll compliance changes

Tax compliance changes

- ▶ Vacation related expenses (tourist/treatment), income tax free, for employees and family members have been limited to the value of a national gross medium salary per year.

Social Security changes

- ▶ Vacation related expenses (tourist/treatment), social charges free, for employees and family members have been limited to the value of a national gross medium salary per year.

Other major changes

- ▶ Also from 1 January 2023, a monthly non-taxable cap of 33% of the base salary related to the workplace occupied is introduced, subject to certain conditions and limits set by the Ordinance, for which no income tax and social charges are due.
- ▶ As of January 2023, the income tax exemption for salary income earned based on a 12 months employment contract concluded with entities performing seasonal activities in HoReCa field is eliminated.
- ▶ On 12 January 2023, the Official Gazette published Law no. 34/ 2023 for the amendment and completion of Law no. 227/2015 regarding the Fiscal Code.

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Payroll compliance changes

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Other major changes

- ▶ The law governs the tax regime applicable to the value of subscriptions for the use of sports facilities, in order to practice sport and physical education for maintenance, prophylactic or therapeutic purposes, within the limit of the equivalent in lei of the amount of EUR 400 per year, for each employee.
- ▶ We note that subscriptions must be made only by operators with the following NACE codes:
 - ▶ NACE 9311- Activities of sports bases
 - ▶ NACE 9312 - Activities of sports clubs
 - ▶ NACE 9313 - Activities of fitness centers

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Other major changes

- ▶ Thus, within the above-mentioned limit, the law provides for the following:
 - ▶ The possibility of deducting the value of sports subscriptions when determining the annual net income from self-employment, determined under the real system
 - ▶ Deducting these costs, when incurred by employees, from the gross wage income when determining the taxable base
 - ▶ The value of sports memberships paid by employers for their employees may be taken into account when determining the employee's extra pay salary package, which is not subject to income tax and social security contributions, and which in aggregate must not exceed 33% of the basic salary.

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Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ The facilities for employees mentioned above are applicable with the related income of February 2023.

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Payroll compliance changes

- ▶ The deadlines for submission of statutory employment tax reports fall within March 2022 to May 2022. No changes or extensions have been announced yet.

Tax compliance changes

- ▶ The deadline for submission of 2022 personal income tax return (form 3-NDFL) is 30 April 2022. The personal income tax payment deadline is 15 July 2022.

Social Security changes

- ▶ The deadlines for submission of statutory employment tax reports fall within March 2022 to May 2022. No changes or extensions have been announced yet.

Other major changes

- ▶ There are no deadline extensions and other major changes announced till now for 2022 (2021 tax year).

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ No tax update has been issued due to COVID-19. Normal tax processes will continue, and tax due dates will remain the same.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ The tax authority is now accepting physical letters and physical visits to their offices are now permitted.

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ Singaporean/SPR employees exercising overseas employment and now working remotely from Singapore for that employment.
- ▶ Days in Singapore working remotely for the overseas employment will not be considered as employment days in Singapore for the period from date of return to Singapore up to 30 September 2020*, provided that the following conditions are met:
 1. There are no changes in the contractual terms governing the employment overseas before and after the employee's return to Singapore; and
 2. This is a temporary work arrangement due to COVID-19 situation

Social Security changes

- ▶ Central Provident Fund (CPF) treatment on cash reimbursements given due to COVID-19 measures.
- ▶ CPF contributions are not required on any cash payments made for defraying the employees' meal, lodging or utility expenses if:
 - ▶ The payment is provided in the form of reimbursement based on actual expenditure of which proof must be shown;
 - ▶ The reimbursement does not increase the employees' wages; and
 - ▶ The employees are only entitled to such reimbursements based on their continued attendance at employment and work in Singapore of which transport, meal, lodging and utility expenses would be incurred due to the COVID-19 measures such as lockdown, Work from Home, Leave of Absence or relocation to other site (not normal place of work).

Other major changes

- ▶ No other update has been issued due to COVID-19.

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Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ If the conditions are met, the income attributable to the period of extended stay in Singapore will not be taxed. Otherwise, if any of the conditions are not met, the tax rules outlined under “Current tax treatment” will apply to determine taxation for the period of extended stay. In addition, the tax rules will apply as per normal in respect of the income earned during the short-term assignment period.
- ▶ Deferral payment option:
 - ▶ Lump sum payment: Due date for tax payment will be deferred by 3 months. For example, if the current due date for tax payment is 15 May 2020, tax payment will be deferred to 15 August 2020
 - ▶ General Interbank Recurring Order (GIRO): The installment cycle will run from August 2020 to July 2021
 - ▶ Application to apply for tax deferral needs to be submitted by 31 July 2020

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Payroll compliance changes

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Social Security changes

Other major changes

Once the request is approved by the Inland Revenue Authority of Singapore (IRAS), the deferral will supersede the current payment due date/GIRO arrangement.

- ▶ Any individual who needs additional help with tax payment due to financial difficulties can write to the IRAS for special consideration.
- ▶ Tax filing deadline will be extended till 15 August 2020.
- ▶ Tax clearance for foreign employees in April 2020: Employers who are required to seek tax clearance for their employees in the month of April will be given 1 month's extension to file Form IR21. The current requirement for employers to withhold monies and release monies upon receipt of IRAS notification or after 1 month from filing of Form IR21 remains.

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ No pandemic measures related to extension of filing deadline. The statutory deadline was 31 March 2022 (extended statutory deadline is 30 June 2022 upon submitted notification).

Social Security changes

- ▶ Social and health insurance contributions for May 2021 to be paid by employers and self-employed persons are due by 31 December 2023, if their turnovers decrease by more than 40%. It is expected this will be extended until further notice from the authorities.
- ▶ Also, the payment due date for the social and health insurance contributions to be paid by employers and self-employed persons were extended as stated in the table below:
 - ▶ SSHI (Slovak Society for Economic Informatics) for July 2020 are due by 30 September 2022
 - ▶ SSHI for December 2020 are due by 31 December 2022
 - ▶ SSHI for January 2021 are due by 31 March 2023
 - ▶ SSHI for February 2021 are due by 30 June 2023

Other major changes

- ▶ As of February 2021, support for employers in connection with the reimbursement of employee's salary should be increased to 100% of the total labor cost per employee. The flat-rate allowance for compensation of the employee's salary should be from EUR 330 to EUR 870, and the number of categories of decrease in sales increases as stated below.
- ▶ Decrease in sales allowance
 - ▶ 20.00% - 29.99% EUR 330
 - ▶ 30.00% - 39.99% EUR 420
 - ▶ 40.00% - 49.99% EUR 510
 - ▶ 50.00% - 59.99% EUR 600
 - ▶ 60.00% - 69.99% EUR 690
 - ▶ 70.00% - 79.99% EUR 780
 - ▶ > 80.00% EUR 870

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Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ SSHI for March 2021 are due by 30 September 2023
- ▶ SSHI for April 2021 are due by 31 December 2023
- ▶ SSHI for May 2021 are due by 31 March 2024
- ▶ SSHI for October 2021 are due by 30 June 2024
- ▶ SSHI for November 2021 are due by 30 September 2024
- ▶ SSHI for December 2021 are due by 31 December 2024
- ▶ SSHI for January 2022 are due by 31 March 2025
- ▶ SSHI for February 2022 are due by 30 June 2025

- ▶ Allowance for compensation of employee's salary:
 - ▶ First aid: 80% of gross employee's income, maximum EUR 880
 - ▶ First aid +: 80% of the total cost of labor (in connection with employee's income), maximum EUR 1,100
 - ▶ First aid ++: 100% of the total cost of labor (in connection with employee's income), maximum EUR 1,100
- ▶ Due to the fact that during August 2021 none of the Slovakia regions reported the increasing number of COVID-19 pandemic infection cases, the first aid should not be applicable for August 2021.

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Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ As of 01 August 2021, based on the amendment of Act No. 544/2010 Coll. on subsidies under the competence of the Ministry of Labor, Social Affairs and Family of the Slovak Republic, it is possible to provide a subsidy to support the education of a child's eating habits, i.e., the catering subsidy. In this connection, Act No. 595/2003 Coll. on income tax was amended. A taxpayer who is entitled to a child tax bonus according to Slovak tax legislation, and whose child is above the age of six years could decide whether he/she will apply the child tax bonus or the catering subsidy up to the age of 15 years.
- ▶ The increased amount of child tax bonus in the amount of EUR 46.44 / EUR 39.47 can be applied for the last time in the calendar month in which the child reaches the age of six/15 years.

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Payroll compliance changes

- ▶ No payroll compliance update has been issued due to COVID-19.

Tax compliance changes

- ▶ No tax compliance update has been issued due to COVID-19.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ No other major updates have been issued due to COVID-19.

Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ Suspension of deadlines in the tax area during the state of alarm, in particular:
 - ▶ It establishes deadline extensions for tax due payments and tax proceedings (tax audits, seizures, etc.).
 - ▶ There are no changes in the deadlines for the filing of tax returns.

Social Security changes

- ▶ In case of temporary collective dismissals related to COVID-19, companies are exonerated (totally or partially) from paying the employer contribution (with no impact for the employees).
- ▶ Self-employed who stop activity or reduce revenue by more than 75% are exempted from Social Security contributions. They will also receive an allowance equivalent to 70% of their Social Security base.

Other major changes

Payroll compliance changes

- ▶ Sick leave from work: Employers' compensation to employees during the first 14 days of sickness (absence) will temporarily be taken by the state. This will be in effect during April to July 2020. During August and September 2020, the state will bear the employer's increased costs for sick pay due to COVID-19, until March 2022.
- ▶ Normally, the first day of a sick leave is a so-called qualifying day and does not entitle the employee to sick pay. This qualifying day is now removed, and sick pay is thereby granted from the first day of a sick period. This will apply for the period 11 March 2020 to 30 April 2021. The employee will receive an amount of SEK 810 from the state for the sick day. The same applies for the period 8 December 2021 to 31 March 2022.

Tax compliance changes

- ▶ Respite may be granted for social security contributions, preliminary taxes and VAT for up to nine months worth of payments. The reporting periods that may be subject to respite are January 2020 to January 2021, as well as October to December 2021. Companies that report VAT on an annual basis can, however, receive respite for two years' worth of VAT that is to be reported between 27 December 2019 and 17 January 2023.
- ▶ After application, taxpayers may be granted respite for a period of up to 12 months. The respite period can be prolonged for another 12 months if applied for when the first respite period is terminating. There is a proposal to prolong the respite period with another 36 months (so that the maximum total respite time is four years) in combination with instalment plans.

Social Security changes

- ▶ Reduced employer contributions: Social Security contributions on salary payments are reduced during March to June 2020. The reduced employer contributions amount to 10,21% instead of the normal 31,42% (2020). The reduction is capped to the first 30 employees of the company. A reassessment for the mentioned months can retroactively be filed according to normal rules. The later reduction applies until 31 March 2023.
- ▶ Commuting between Sweden and Denmark: For individuals commuting between Sweden and Denmark, the new restrictions due to COVID-19 will not lead to a change in social security coverage according to an agreement between the States respective responsible authorities.

Other major changes

- ▶ The Swedish Government introduced new rules on short-time work with financial support from the state. The purpose of the rules is to support employment and curb unemployment, in particularly deep economic downturns or in situations that could have not been foreseen, by reducing employees' working hours and wages. The cost is shared between the government, the employer and the employees. The rules were implemented during 2020 and 2021. Companies can no longer apply for this financial support.

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Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ An interest rate of 1.25 % is charged on an annual basis during the entire respite period, and also a fee of 0.1 % per month starting from the month after respite was granted (not tax-deductible). The fee was reduced from 0.2 on 26 April 2021, but with retroactive effect from 5 February 2021.
- ▶ The rules apply to businesses with acceptable financial records. Companies that are economically ill-managed or are dishonest in some way, or that already have large tax debts, will not be granted postponement of tax payments.
- ▶ Tax filing: Tax returns for individuals that are prepared by accounting or bookkeeping firms may be filed as late as 15 June 2022.

Payroll compliance changes

- ▶ In the event of loss of work (partial/technical unemployment) linked to the COVID-19 epidemic, a claim for compensation for reduced working hours (RHT) can be filed with the unemployment office.
- ▶ Partial unemployment claims have increased sharply due to the COVID-19 pandemic and are expected to continue to rise. As of 23 March 2020, 21,000 companies had submitted such a request. That figure represents 315,000 workers. The amount of compensation covers 80% of the salary taken into account. This maximum salary amount per employee is CHF 12,350 per month (CHF 148,200 on an annual basis).
- ▶ Further measures are introduced on a cantonal level, such as simplification of application forms or faster examinations. Also Swiss social contributions payments will be deferred for the companies hit by this crisis.

Tax compliance changes

- ▶ The amicable cross-border taxation agreement signed in 2020 between Switzerland and Germany settling the question of the taxation of their respective cross-border commuters working from home will end on 30 June 2022. Starting 01 July 2022, agreements valid before COVID-19 restrictions will apply between these two countries. With regards to the agreement between Switzerland and France, both authorities agreed an extension until 31 October 2022.

Social Security changes

- ▶ On 17 March 2022, the Swiss Federal Social Insurance Office published an update on the application of the COVID-19 flexible approach. It has been agreed to extend the flexible approach until 30 June 2022 with Austria, Germany, Italy, Liechtenstein and France in relations with other countries. The flexible approach applies in principle until 30 June 2022.
- ▶ As of 01 July 2022, the usual rules regarding insurance subordination will apply again without restriction and no extension of the flexible approach will be applied.
- ▶ Kindly note that the EU administrative commission has decided to apply another extension of the flexible approach until 31 December 2022.

Other major changes

- ▶ As of 15 June 2020, all Schengen states have been removed from the list of high-risk countries. Further, border controls at all land and air borders between Schengen states and Switzerland have been lifted and the rules on the freedom of movement of persons between Switzerland and the EU is again applicable. This means that all EU/EFTA nationals are again allowed to enter Switzerland with their passports only even when traveling from a Non-Schengen state. Third-country nationals who are already legally resident in the Schengen area are allowed to enter Switzerland. This excludes those citizens living in EU-member states not part of the Schengen area. Third-country nationals who are holding a valid Swiss permit or work authorization (i.e., D visa, 120 days C visa, online announcement confirmation) are allowed to enter Switzerland

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Payroll compliance changes

- ▶ Employers affected by COVID-19 can request to postpone remittance of social security charges (AHV/IV/EO/ALV) and the authorities will waive all interest on these charges.
- ▶ In case the salaries have significantly decreased an adjustment of the pre-payments can be requested with the AHV. Where short-time work compensation has been requested an interest free postponement of the social security charges is also possible. The employer doesn't have to prove that these are continuously remitted.

Tax compliance changes

- ▶ In a joint statement, the competent Swiss and French authorities announced that the mutual agreement signed on 18 July 2022 will remain in force until 31 December 2022, after that date it will cease to have effect. Both authorities will continue discussions with a view to reaching an agreement on a permanent tax regime for cross-border workers before 31 December 2022 that takes into account both their respective interests and those of the workers and employers. As a reminder, Switzerland signed a friendly agreement with France to ensure that measures to combat COVID-19, including homeworking, would not change the tax regime for cross-border workers. The agreement, which was due to expire on 30 June 2022, has been extended until 31 October 2022 and now until 31 December 2022.

Social Security changes

- ▶ On 17 March 2022, the Swiss Federal Social Insurance Office published an update on the application of the COVID-19 flexible approach. It has been agreed to extend the flexible approach until 30 June 2022 with Austria, Germany, Italy, Liechtenstein and France in relations with other countries. The flexible approach applies in principle until 30 June 2022.
- ▶ As of 01 July 2022, the usual rules regarding insurance subordination will apply again without restriction and no extension of the flexible approach will be applied.
- ▶ Kindly note that the EU administrative commission has decided to apply another extension of the flexible approach until 31 December 2022.
- ▶ The EU administrative commission has communicated end of November 2022 that the flexible approach for telework has been extended until 30 June 2023.

Other major changes

- ▶ As of 20 July 2020 the usual entry requirements will apply again if coming from the below mentioned countries. Therefore entering as tourists or business travelers will be possible for the following countries: Algeria, Andorra, Australia, Bulgaria, Canada, Croatia, Cyprus, Georgia, Ireland, Japan, Morocco, Monaco, New Zealand, Rwanda, Romania, San Marino, South Korea, Thailand, Tunisia, Uruguay, Vatican/Holy See.
- ▶ Entry from other third countries without a valid Swiss visa (work) or permit is still not allowed, i.e., for holiday or for non-urgent business meetings. Exception: Attendance for important business meetings that cannot be postponed and which require personal presence (e.g. contract negotiations and signings, business inspections or other important representative assignments).

Payroll compliance changes

Tax compliance changes

Social Security changes

Other major changes

- ▶ Swiss and French authorities agreed that cross-border teleworking of up to 40% of working time per year will be possible from 01 January 2023 without changing state's employment income taxation, namely for cross-border workers.
- ▶ Workers covered by the 1983 agreements signed between France and Switzerland (acting on behalf of cantons of Bern, Solothurn, Basel City, Basel Land, Vaud, Valais, Neuchâtel and Jura), French and Swiss authorities have agreed that home-office work within the limit of 40% of working time, does not impact the eligibility for the cross-border commuter status neither the related income taxation rules applicable. These provisions will be specified by an amicable agreement taking effect from 01 January 2023.

- ▶ Swiss and French authorities agreed that cross-border teleworking of up to 40% of working time per year will be possible from 01 January 2023 without changing State's employment income taxation, namely for cross-border workers.
- ▶ Workers covered by the 1983 agreements signed between France and Switzerland (acting on behalf of cantons of Bern, Solothurn, Basel City, Basel Land, Vaud, Valais, Neuchâtel and Jura), French and Swiss authorities have agreed that home-office work within the limit of 40% of working time, does not impact the eligibility for the cross-border commuter status neither the related income taxation rules applicable. These provisions will be specified by an amicable agreement taking effect from 01 January 2023.

- ▶ Quarantine Measures: From 6 July 2020, Persons entering Switzerland and who, at any time within 14 days prior to entry have been into a state or territory with increased risk of infection with the COVID-19 virus, are obliged to immediately and directly go to their home or another suitable accommodation after their entry to Switzerland. They must stay permanently there for 10 days after their arrival (quarantine).
- ▶ On 17 March 2022, the Swiss Federal Social Insurance Office published an update on the application of the COVID-19 flexible approach. It has been agreed to extend the flexible approach until 30 June 2022 with Austria, Germany, Italy, Liechtenstein and France in relations with other countries. The flexible approach applies in principle until 30 June 2022.

Payroll compliance changes

Tax compliance changes

- ▶ With regards to other workers that namely fall into the Swiss/French tax treaty of 1966 to avoid double income taxation (for instance cross-border workers of Geneva and Fribourg cantons), an agreement has also been reached in the form of an addendum amending this agreement. This provides for maintaining taxation in the State where the employer is located, if the work carried out remotely from the State of residence does not exceed 40% of the working time. In return for maintaining the right to tax income from salaried activity in the State of the employer, a compensation is provided for in favor of the State of residence of the employee.

Social Security changes

- ▶ With regards to other workers that namely fall into the Swiss / French tax treaty of 1966 to avoid double income taxation (for instance cross-border workers of Geneva and Fribourg cantons), an agreement has also been reached in the form of an addendum amending this agreement. This provides for maintaining taxation in the State where the employer is located, if the work carried out remotely from the State of residence does not exceed 40% of the working time. In return for maintaining the right to tax income from salaried activity in the State of the employer, a compensation is provided for in favor of the State of residence of the employee.

Other major changes

- ▶ As of 01 July 2022, the usual rules regarding insurance subordination will apply again without restriction and no extension of the flexible approach will be applied.

Payroll compliance changes

Tax compliance changes

- ▶ The provisions of the amendment to the agreement are intended to apply from 01 January 2023. Its entry into force will however be subject to its signature, then its ratification by each of the two States. The text will be made public when it is signed, scheduled for the end of the first half of 2023. In the meantime, France and Switzerland have agreed to apply the terms with regards to telework by amicable agreement. This may apply until 31 December 2024 at the latest if the amendment is signed by 30 June 2023 and taking into account the progress of the ratification process.

Social Security changes

- ▶ The provisions of the amendment to the agreement are intended to apply from 01 January 2023. Its entry into force will however be subject to its signature, then its ratification by each of the two States. The text will be made public when it is signed, scheduled for the end of the first half of 2023. In the meantime, France and Switzerland have agreed to apply the terms with regards to telework by amicable agreement. This may apply until 31 December 2024 at the latest if the amendment is signed by 30 June 2023 and taking into account the progress of the ratification process.

Other major changes

Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ Government subsidies, grants, allowances, rewards and compensations received by the COVID-19 affected individual under the Statute or Communicable Disease Control Act are exempted from individual income tax.
- ▶ For a foreign individual who stayed in Taiwan over 182 days in a calendar year due to travel restriction under COVID-19 and therefore became a Taiwan tax resident based on current tax regulations, the Taiwan tax authority may allow the individual to apply for non-resident tax treatment in an annual tax return filing. The individual must submit valid supporting documents to prove the difficulty encountered under travel restrictions and the application will be reviewed by the tax authority on a case-by-case basis.
- ▶ The filing due date for the 2021 Taiwan individual income tax return is extended from 31 May 2022 to 30 June 2022 due to COVID-19.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ No other update has been issued due to COVID-19.

Payroll compliance changes

- ▶ Deadline for filing monthly payroll withholding tax return (paper submission) is on 7th of the following month and 15th for e-filing as usual.

Tax compliance changes

Social Security changes

- ▶ The SSF contribution amount (capped) is resumed to be as usual, THB 750 per month (5% of fixed wage, but not exceeding THB 15,000 per month, equally for employee and employer for the tax year 2023.

Other major changes

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Payroll compliance changes

- ▶ Companies may request for three months deferral of tax payments, including payroll tax when facing liquidity issues due to COVID-19. Wage tax filings still need to be made.
- ▶ When companies have requested for deferred payment, no penalties will be imposed for late payment of taxes including payroll taxes.
- ▶ Employers can provide employees with tax-free allowances and employment benefits using the tax-free budget of the work-related costs scheme (in Dutch: WKR (with kind regards)). This tax-free budget will be increased on a one-time basis from 1.7% to 3% of the first EUR 400,000 of the employer's taxable wage bill.

Tax compliance changes

- ▶ Interest rates on tax payments due and tax collections will be decreased from 4% to 0.01%. The reduction was temporary for three months but this period has now been extended until 1 October 2020.
- ▶ Tax interest will be reduced from 4%/8% to 0,01% for all taxes, effective from 1 June 2020 for all taxes except PIT which will be effective from 1 July 2020.

Social Security changes

- ▶ Working from home will not be taken into account for determining the 25% condition for social security purposes.
- ▶ Starting a new job with an employer outside the Netherlands will result in a change of country in which the new employee is socially secured.
- ▶ The Netherlands has agreed with Belgium and Germany that home working days for employees normally working in another country could be taxable in the country in which the employee would normally work. The employee should choose which country (home or working country) they would like these days to be taxed.

Other major changes

- ▶ Temporary measure for companies facing a loss of turnover (at least 20%) due to COVID-19. If a company is part of a "group", the (loss of) turnover of the entire group is the basis for the NOW (temporary Emergency Measure Scheme) application. If the loss of turnover of the entire group is less than 20%, but an operating company within the group has a loss of turnover of at least 20%, this company may also apply for the Temporary Emergency Bridging Measure for Sustained Employment (in Dutch: NOW). Additional conditions apply. The NOW measure can be applied for up to three months (March/April/May) covering up to 90% of the employees' income. The company is requested to pay the remainder 10% and must not lay off personnel in this period for economic reasons and must continue to pay wages. A NOW 2.0 measure is expected for June/July/August.

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Payroll compliance changes

- ▶ Approval has been given for fixed travel allowances which meet the conditions for tax exemption to continue to be paid tax free during the period of COVID-19 crisis as if the employee's travel pattern has not changed. The employer may therefore continue to provide the travel allowance for days spent at home because of the COVID-19 as though the employee had travelled to their place of work. One condition for tax exemption, for example, is what's known as the 128/214 day rule. A fixed travel allowance may be based on 214 days travel per year but the employee only has to actually travel on 128 days. Working days at home because of COVID-19 are regarded as actual travel days.

Tax compliance changes

Social Security changes

Other major changes

- ▶ Self employed persons can be entitled to a special state benefit for a three month period to provide for income.
- ▶ Compensation payment are available to certain businesses in affected sectors (in Dutch: TOGS).
- ▶ There is employer support when hiring new employees.
 - ▶ Employers who cannot identify a new employee in person does not have to apply the anonymous tax rate.
 - ▶ Proper identification of the employee will be handled by the employer once possible again.

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ The deadline for filing annual income tax return is 31 March 2023.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ No other update has been issued due to COVID-19.

Payroll compliance changes

- ▶ IR35 Legislation (anti avoidance tax legislation) reforms requiring PAYE to be operated for off-payroll workers falling within IR35 will be deferred until 6 April 2021.
- ▶ "Time to Pay" arrangements for Pay-as-you-earn (PAYE) and other taxes, Her Majesty's Revenue and Customs (HMRC) have announced changes to arrangements for deferring tax liabilities.
- ▶ HMRC have set up a team to discuss these arrangements with taxpayers and each case will be looked at on its own merits.
- ▶ While HMRC are making it clear they are not a bank making loans (so they will expect evidence from distressed businesses that they have sought alternative financing arrangements) there is the facility **to defer tax payments (corporate tax, Value added tax, Pay-as-you-earn, Air Passenger Duty Tax)** for three months if the business can demonstrate financial difficulty.

Tax compliance changes

- ▶ Updated Guidance on Statutory Residence Test - certain days spent in the UK, which are beyond the individual's control, may be disregarded for some of the tests under the Statutory Residence Test. While this concept is not new:
 - ▶ HMRC has issued further guidance to clarify their position for days spent in the UK due to COVID-19. HMRC accepts that individuals who are quarantined, or unable to leave the UK as a result of official Government advice or closure of international borders, or are asked by their employers to return temporarily to the UK as a result of the virus can treat these days as exceptional.
- ▶ At this stage, the maximum number of days that can be treated as exceptional are 60, and facts and circumstances need to be reviewed in each case.

Social Security changes

- ▶ Statutory Sick Pay (SSP) - Companies with less than 250 employees will be able to reclaim the cost of 2 weeks of Statutory Sick Pay.
- ▶ In addition please note that the UK government is legislating for SSP to be paid from day one, rather than day four, of an absence from work if the absence is due to sickness or a need to self-isolate caused by COVID-19.
- ▶ Once the legislation has been passed, this will apply retrospectively from 13 March 2020. This doesn't include the need to provide childcare.

Other major changes

- ▶ Home working expenses - Home working weekly maximum expense reimbursement increased from GBP 4 to GBP 6.
- ▶ COVID-19 Job Retention Scheme: if an employer cannot cover staff costs due to COVID-19, they may be able to access support to continue paying part of the wages, to avoid redundancies.
- ▶ To qualify for this scheme, employees should not undertake work for their employers. Employers can claim a grant of up to 80% of wages for all employment costs, up to a cap of GBP 2,500 per month.

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ The standard annual tax return filing deadline (30 April 2021) applies to 2020 Ukrainian personal income tax returns.
- ▶ The standard deadline for payment of tax due according to the annual tax return (31 July 2021) applies to 2020 Ukrainian personal income tax liability.
- ▶ Tax audits are suspended for the period from 18 March 2020 till the end of the quarantine in Ukraine (the quarantine is currently scheduled to end on 30 April 2021, however, this will probably be prolonged).

Social Security changes

- ▶ Payment of the Unified Social Tax for private entrepreneurs and self-employed individuals was abolished for March, April and May 2020.

Other major changes

- ▶ Fines and penalties for some violations of tax law, committed in the period from 1 March 2020 until the end of the quarantine in Ukraine, will not be imposed.

Payroll compliance changes

- ▶ At the Federal level, the Families First COVID-19 Response Act includes The Emergency Paid Sick Leave Act. and The Emergency Family and Medical Leave Expansion Act. Private employers with less than 500 employees and governmental employers may avail themselves of certain credits and exemption from the employer social security for such emergency sick leave (also see under Social Security changes). On 27 March 2020, the president signed a USD \$2 trillion COVID-19 Aid, Relief, and Economic Security (CARES) Act. The bill includes individual stimulus payments as well as provisions impacting the access to funds in retirement plans and expanding the benefit of charitable contributions.

Tax compliance changes

- ▶ The Federal individual income tax filing and payment due dates have been extended from 15 April 2020 to 15 July 2020 with waiver of interest and penalties. There is also provision for further extension pending further guidance from the Federal authorities. The CAREs Act is also pending passage in the Senate which may provide further benefits with regard to estimated tax payments. Many states are following suit but not uniformly. Therefore each state requirement needs to be confirmed.
- ▶ The CARES Act previously noted, provides employer benefits in the form of an employee retention credit, payroll tax deferral as well as expanded business interest expense limitations and liberalized Net Operating Loss rules among other benefits including loans with the possibility of forgiveness.

Social Security changes

- ▶ The Emergency Family and Medical Leave Expansion Act provides wage continuation where an employee must take leave to care for a son/daughter under 18 years of age due to school closure or lack of availability of the child care provider due to a public health emergency related to COVID-19. There are corresponding benefits to the employer as these wages are not subject to the employer's share of Social Security tax. Employers are eligible to receive a refundable tax credit equal to 100% of the paid leave wages. Here too the limitations noted under Payroll compliance changes will apply.

Other major changes

- ▶ There are travel restrictions to mainland China, Iran, European Schengen Area, UK and Ireland. Also limitations on travel across the Mexico and Canadian borders. The president signed the "CARES Act 3.5" otherwise known as "The Paycheck Protection Program and Health Care Enhancement Act" on 24 April 2020. This is a USD \$484 billion relief package intended to extend the loan and other relief benefits which were depleted under the CARES Act. The bill also includes aid for hospitals and COVID-19 testing.

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Payroll compliance changes

- ▶ On 27 March 2020, the president signed a USD 2 trillion COVID-19 Aid, Relief, and Economic Security (CARES) Act. The bill includes individual stimulus payments as well as provisions impacting the access to funds in retirement plans and expanding the benefit of charitable contributions. Further the Act provides employer benefits related in the form of an employee retention credit, payroll tax deferral as well as expanded business interest expense limitations and liberalized Net Operating Loss rules among other benefits including loans with the possibility of forgiveness.

Tax compliance changes

Social Security changes

Other major changes

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Payroll compliance changes

- ▶ No Payroll update has been issued due to COVID-19.

Tax compliance changes

- ▶ No Tax update has been issued due to COVID-19.

Social Security changes

- ▶ No social security update has been issued due to COVID-19.

Other major changes

- ▶ No social security update has been issued due to COVID-19.

Payroll compliance changes

- ▶ On 12 June 2022, the Government issued Decree 38/2022/ND-CP ('Decree 38') to increase the regional minimum salary from 01 July 2022 for employees working under labor contract. Some notable points of Decree 38 are outlined as below:
 - ▶ To increase the regional monthly minimum salary by an average of 6% across regions after more than two years of freezing
 - ▶ To announce the regional hourly minimum rate for each region
 - ▶ To remove the requirement that trained employees are paid at least 7% higher than regional minimum salary
 - ▶ To move some geographical location to different regions

Tax compliance changes

- ▶ The family relief is increased to VND11 million/month/taxpayer and VND4.4 million/month/dependent. The new relief takes effect from 1 July 2020 and is applied for tax year 2020.

Social Security changes

Other major changes

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